

PROOF

STATE OF IOWA

House Journal

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JOURNAL OF THE HOUSE

One Hundred Third Calendar Day - Seventy-fourth Session Day

Hall of the House of Representatives
Des Moines, Iowa, Friday, April 25, 2003

The House met pursuant to adjournment at 8:49 a.m., Speaker Rants in the chair.

Prayer was offered by Reverend Jeff De Boers, pastor of Peace Reformed Church, Garner. He was the guest of Representative Linda Upmeyer of Hancock County and Representative Henry Rayhons of Hancock County.

The Journal of Thursday, April 24, 2003 was approved.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Speaker Rants.

SENATE MESSAGE CONSIDERED

[Senate File 448](#), by committee on ways and means, a bill for an act relating to the department of corrections and its duties regarding treatment and education of inmates at various correctional facilities, release of presentence reports, optional inmate treatment and education provision, expansion of and appeals regarding earned time credits, change to the inmate savings and inmate telephone rebate fund, and payment of supervision fees.

Read first time and referred to committee on **public safety**.

MESSAGES FROM THE SENATE

The following messages was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on April 24, 2003, passed the following bill in which the concurrence of the Senate was asked:

[House File 455](#), a bill for an act requiring licensed health-related professionals to report certain burn injuries to a law enforcement agency.

Also: that the Senate has on April 24, 2003, amended and passed the following bill in which the concurrence of the House is asked:

[House File 654](#), a bill for an act relating to the exemption of sand handling and core and mold making equipment used in the mold making process from sales and use taxes, providing refunds, and including effective and retroactive applicability date provisions.

Also: that the Senate has on April 24, 2003, concurred in the House amendment and passed the following bill in which the concurrence of the Senate was asked:

[Senate File 368](#), a bill for an act relating to advanced telecommunications services, including modification of rate provisions, economic development promotional certification, and a study of competition and access charges by the utilities board.

Also that the Senate has on April 24, 2003, passed the following bill in which the concurrence of the Senate is asked:

[Senate File 449](#), a bill for an act providing a wind energy production tax credit under the individual and corporate income taxes, the franchise tax, and insurance premiums tax and including an applicability date provision.

MICHAEL E. MARSHALL, Secretary

LEAVE OF ABSENCE

Leave of absence was granted as follows:

Osterhaus of Jackson on request of T. Taylor of Linn.

ADOPTION OF [HOUSE RESOLUTION 53](#)

Upmeyer of Hancock called up for consideration [House Resolution 53](#), a resolution congratulating the Peace Reformed Church of Garner, Iowa, on its 125th anniversary, and moved its adoption.

The motion prevailed and the resolution was adopted.

ADOPTION OF [HOUSE RESOLUTION 45](#)

Watts of Dallas called up for consideration [House Resolution 45](#), a resolution requesting the State Department of Transportation to identify the Mormon Trail route across Iowa on the official Iowa highway map, and moved its adoption.

The motion prevailed and the resolution was adopted.

SENATE AMENDMENTS CONSIDERED

Mertz of Kossuth called up for consideration [House File 624](#), a bill for an act regulating farm deer, providing for penalties, and providing an effective date, amended by the Senate amendment [H-1352](#) as follows:

H-1352

- 1 Amend [House File 624](#), as passed by the House, as
- 2 follows:
- 3 1. Page 2, line 1, by striking the word
- 4 "odocioleus" and inserting the following:
- 5 "odocoileus".
- 6 2. Page 2, line 2, by striking the word
- 7 "odocioleus" and inserting the following:
- 8 "odocoileus".
- 9 3. Page 2, by inserting after line 6, the
- 10 following:
- 11 "_. "Fence" means a boundary fence which encloses
- 12 farm deer within a landowner's property as required to
- 13 be constructed and maintained pursuant to section
- 14 170.4."
- 15 4. Page 3, by striking lines 19 through 21, and
- 16 inserting the following:
- 17 "_. Farm deer are livestock as provided in this
- 18 title and are principally subject to regulation by the
- 19 department of agriculture and land stewardship, and
- 20 also the department of natural resources as
- 21 specifically provided in this chapter. The
- 22 regulations adopted by the department of agriculture
- 23 and land stewardship may include but are not limited
- 24 to providing for the importation, transportation, and
- 25 disease control of farm deer. The".
- 26 5. Page 3, line 35, by inserting after the word
- 27 "department." the following: "The fence shall be
- 28 constructed and maintained to ensure that whitetail
- 29 are kept in the enclosure and that other deer are
- 30 excluded from the enclosure. A fence that is
- 31 constructed on or after the effective date of this Act
- 32 shall be at least eight feet in height above ground
- 33 level."
- 34 6. Page 4, line 1, by inserting after the word
- 35 "department" the following: "of agriculture and land
- 36 stewardship".
- 37 7. Page 4, line 2, by inserting after the word
- 38 "certification." the following: "The department of
- 39 natural resources may periodically inspect the fence
- 40 according to appointment with the enclosure's
- 41 landowner."
- 42 8. Page 4, line 8 by inserting after the word

43 "resources" the following: "and the department of
44 agriculture and land stewardship".
45 9. Page 4, line 10, by striking the words "that
46 department" and inserting the following: "the
47 departments".
48 10. Page 4, line 13, by inserting after the word
49 "department" the following: "of agriculture and land
50 stewardship".

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1 11. Page 4, by striking lines 16 through 23, and
2 inserting the following:
3 "___ The landowner shall cooperate with the
4 department of natural resources and the department of
5 agriculture and land stewardship to remove any
6 whitetail from the enclosed land. However, after the
7 thirtieth day following receipt of the notice, the
8 state shall relinquish its property interest in any
9 remaining whitetail that the landowner and the
10 cooperating departments were unable to remove from the
11 enclosed land. Any remaining whitetail existing at
12 that time on the enclosed land, and any".
13 12. Page 4, line 24, by striking the word
14 "which".
15 13. Page 4, line 27, by inserting after the word
16 "department" the following: "of agriculture and land
17 stewardship".
18 14. Page 5, by striking lines 12 through 26, and
19 inserting the following: "certification under this
20 section, the landowner shall provide for the
21 disposition of the enclosed whitetail by any lawful
22 means."
23 15. Page 5, line 34, by inserting after the
24 figure "808." the following: "This chapter does not
25 prevent the department of natural resources from
26 examining the landowner's business records according
27 to appointment with the enclosure's landowner. The
28 records include but are not limited to those relating
29 to whitetail inventories, health, inspections, or
30 shipments; and the enclosure's fencing."
31 16. Page 7, line 12, by striking the word "deer,"
32 and inserting the following: "deer".
33 17. Page 7, by striking lines 16 through 20, and
34 inserting the following:
35 "NEW SUBSECTION. 3. This section does not apply
36 to a landowner who cooperates with the department of
37 natural resources and the department of agriculture
38 and land stewardship to remove all whitetail from
39 enclosed land as provided in section 170.5, even if
40 all whitetail are not removed."
41 18. Page 7, by inserting after line 24 the

42 following:

43 "Sec. ____ Section 484B.12, Code 2003, is amended

44 to read as follows:

45 484B.12 HEALTH REQUIREMENTS – UNGULATES.

46 All ungulates which are purchased, propagated,

47 confined, released, or sold by a licensed hunting

48 preserve shall be free of diseases considered

49 significant for wildlife, poultry, or livestock. The

50 department of agriculture and land stewardship shall

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1 provide for the regulation of farm deer as provided in

2 chapter 170."

3 19. By renumbering as necessary.

Baudler of Adair offered amendment [H-1471](#), to the Senate amendment [H-1352](#), filed by Freeman of Buena Vista from the floor as follows:

H-1471

1 Amend the Senate amendment, H-1352, to House File

2 624, as passed by the House, as follows:

3 1. By striking page 1, line 3 through page 3,

4 line 2, and inserting the following:

5 " ____ By striking page 1, line 35 through page 2,

6 line 1, and inserting the following: "red deer or

7 elk; part of".

8 ____ Page 2, by striking lines 7 and 8.

9 ____ Page 2, by striking lines 14 through 16, and

10 inserting the following: "agriculture."

11 ____ Page 3, by striking lines 2 through 15, and

12 inserting the following:

13 " ____ The council shall monitor conditions

14 relating to the production of farm deer, the

15 processing of farm deer products, and the marketing of

16 such products. The council shall advise the

17 department about health issues affecting farm deer,

18 including but not limited to chronic wasting disease,

19 and related regulations or practices."

20 ____ By striking page 3, line 16 through page 6,

21 line 11.

22 ____ Page 7, by striking lines 3 through 24.

23 ____ Page 7, by inserting before line 25 the

24 following:

25 "Sec. ____ NEW SECTION. 483A.28 REGISTRATION OF

26 HUNTING OUTFITTERS OR HUNTING GUIDES – PENALTY.

27 1. A person shall not engage in or be employed for

28 any compensation in the business of a hunting

29 outfitter or a hunting guide in this state unless the

30 person is registered as a hunting outfitter or a
31 hunting guide with the department. The commission
32 shall define, by rule, the activities that constitute
33 hunting outfitter activities or hunting guide
34 activities for the purposes of this section. The
35 rules shall require an applicant for registration to
36 identify the location and acreage to be hunted and the
37 equipment and services to be provided by the outfitter
38 or the guide.

39 2. The department shall establish, by rule, a
40 conduct board consisting of hunting outfitters who are
41 residents of the state and hunting guides who are
42 residents of the state selected by the department, to
43 compose standards of ethical and professional conduct
44 concerning hunting outfitters and hunting guides and
45 to review complaints and make recommendations to the
46 department for the revocation of registrations of
47 hunting outfitters and hunting guides who are in
48 violation of this section or the rules adopted
49 pursuant to this section.

50 3. The commission shall establish, by rule, the

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1 annual fee for a hunting outfitter or hunting guide
2 registration required pursuant to this section. In
3 determining an annual fee, the commission shall
4 consider the costs of providing for the registration
5 and administering and enforcing the provisions of this
6 section.

7 4. A violation of this section or the rules
8 adopted pursuant to this section is punishable as
9 provided in section 483A.42.

10 5. This section does not apply to the activities
11 of a hunting outfitter or hunting guide that are
12 conducted on a hunting preserve pursuant to chapter
13 484B."

14 _____. By striking page 7, line 31 through page 8,
15 line 5.

16 _____. Title page, by striking line 1, and
17 inserting the following: "An Act relating to the
18 harvesting of captive and wild animals, making
19 penalties applicable, and".

20 2. By renumbering as necessary.

Mertz of Kossuth rose on a point of order that amendment [H-1471](#)
was not germane, to the Senate amendment [H-1352](#).

The Speaker ruled the point well taken and amendment [H-1471](#)
was not germane.

On motion by Mertz of Kossuth the House concurred in the Senate amendment [H-1352](#).

Mertz of Kossuth moved that the bill, as amended by the Senate and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 624](#))

The ayes were, 95:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boggess	Bukta
Carroll	Chambers	Cphoon	Connors
Dandekar	Davitt	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Foege	Ford	Freeman
Frevert	Gaskill	Gipp	Granzow
Greimann	Greiner	Hahn	Hansen
Hanson	Heaton	Heddens	Hoffman
Hogg	Horbach	Hunter	Huseman
Huser	Hutter	Jacobs	Jenkins
Jochum	Jones	Klemme	Kramer
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Manternach
Mascher	McCarthy	Mertz	Miller
Murphy	Myers	Oldson	Olson, D.
Olson, S.	Paulsen	Petersen	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Roberts	Sands	Schickel	Shoultz
Smith	Stevens	Struyk	Swaim
Taylor, T.	Thomas	Tjepkes	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.R.	Watts
Wendt	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 5:

Boddicker	Fallon	Osterhaus	Taylor, D.
Van Fossen, J.K.			

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

Jones of Mills called up for consideration [Senate File 94](#), a bill for an act providing for the confidentiality of certain veterans' records maintained by county recorders, amended by the House, further amended by the Senate and moved that the House concur in the following Senate amendment [H-1389](#) to the House amendment:

H-1389

- 1 Amend the House amendment, S-3103, to Senate File
- 2 94, as passed by the Senate, as follows:
- 3 1. Page 1, by inserting after line 2, the
- 4 following:
- 5 "_. Page 1, by inserting after line 17, the
- 6 following:
- 7 "_. To a person who is a funeral director
- 8 licensed pursuant to chapter 156 and who has custody
- 9 of the body of a deceased veteran.""
- 10 2. Page 1, by inserting after line 2, the
- 11 following:
- 12 "_. Page 1, by inserting after line 22, the
- 13 following:
- 14 "_. To a person conducting research who has
- 15 received written approval from the county commissioner
- 16 of veteran affairs to view the records.""
- 17 3. By renumbering, relettering, or redesignating
- 18 and correcting internal references as necessary.

The motion prevailed and the House concurred in the Senate amendment [H-1389](#), to the House amendment.

Jones of Mills moved that the bill, as amended by the House, further amended by the Senate and concurred in by the House, be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 94](#))

The ayes were, 95:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boggess	Bukta
Carroll	Chambers	Cohoon	Connors
Dandekar	Davitt	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Foege	Ford	Freeman
Frevert	Gaskill	Gipp	Granzow
Greimann	Greiner	Hahn	Hansen
Hanson	Heaton	Heddens	Hoffman

Hogg	Horbach	Hunter	Huseman
Huser	Hutter	Jacobs	Jenkins
Jochum	Jones	Klemme	Kramer
Kuhn	Kurtenbach	Lalk	Lensing
Lukan	Lykam	Maddox	Manternach
Mascher	McCarthy	Mertz	Miller
Murphy	Myers	Oldson	Olson, D.
Olson, S.	Paulsen	Petersen	Quirk
Raecker	Rasmussen	Rayhons	Reasoner
Roberts	Sands	Schickel	Shoultz
Smith	Stevens	Struyk	Swaim
Taylor, T.	Thomas	Tjepkes	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.R.	Watts
Wendt	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Mr. Speaker	
		Rants	

The nays were, none.

Absent or not voting, 5:

Boddicker	Fallon	Osterhaus	Taylor, D.
Van Fossen, J.K.			

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

IMMEDIATE MESSAGES

Gipp of Winneshiek asked and received unanimous consent that the following bills be immediately messaged to the Senate: [House File 624](#) and [Senate File 94](#).

Hansen of Pottawattamie in the chair at 9:18 a.m.

LEAVE OF ABSENCE

Leave of absence was granted as follows:

Davitt of Warren, until his return, on request of T. Taylor of Linn.

CONSIDERATION OF BILLS Ways and Means Calendar

[House File 686](#), a bill for an act relating to urban renewal and tax increment financing and including effective and retroactive applicability date provisions, was taken up for consideration.

Kramer of Polk offered amendment [H-1457](#) filed by him as follows:

H-1457

1 Amend [House File 686](#) as follows:
2 1. By striking everything after the enacting
3 clause and inserting the following:
4 "Section 1. Section 257.3, subsection 1, Code
5 2003, is amended by adding the following new
6 unnumbered paragraph:
7 NEW UNNUMBERED PARAGRAPH. For fiscal years
8 beginning on or after July 1, 2004, foundation
9 property taxes paid to a municipality pursuant to
10 section 403.19, subsections 2 and 8, shall be regarded
11 as foundation property taxes collected by the school
12 district for purposes of this section.
13 Sec. 2. Section 403.5, subsection 4, paragraph b,
14 subparagraph (1), subparagraph subdivision (b), Code
15 2003, is amended to read as follows:
16 (b) That conditions of ~~slum or~~ blight in the
17 municipality and the shortage of decent, safe and
18 sanitary housing cause or contribute to an increase in
19 and spread of disease and crime, so as to constitute a
20 menace to the public health, safety, morals, or
21 welfare.
22 Sec. 3. Section 403.5, subsections 5 and 6, Code
23 2003, are amended to read as follows:
24 5. An urban renewal plan may be ~~modified~~ amended
25 at any time: Provided, that if ~~modified~~ amended after
26 the lease or sale by the municipality of real property
27 in the urban renewal project area, such ~~modification~~
28 amendment may be conditioned upon such approval of the
29 owner, lessee, or successor in interest as the
30 municipality may deem advisable, and in any event such
31 ~~modification~~ amendment shall be subject to such rights
32 at law or in equity as a lessee or purchaser, or a
33 lessee's or purchaser's successor or successors in
34 interest, may be entitled to assert. ~~The An urban~~
35 renewal project may be added to an urban renewal plan
36 only by an amendment to the plan. Territory may be
37 added to, or severed from, an urban renewal area only
38 by an amendment to the urban renewal plan. When
39 amending an urban renewal plan, the municipality shall
40 comply with the notification and consultation process
41 provided in this section prior to the approval of any
42 amendment ~~or modification~~ to an adopted urban renewal
43 plan if such amendment ~~or modification~~ provides for
44 refunding bonds or refinancing resulting in an
45 increase in debt service or provides for the issuance
46 of bonds or other indebtedness, to be funded primarily
47 in the manner provided in section 403.19, or if such

48 amendment proposes to add a project to an urban
49 renewal plan or proposes to add territory to an urban
50 renewal area or proposes to sever territory from an

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1 urban renewal area.
2 If a city proposes an amendment to an urban renewal
3 plan to sever territory from an urban renewal area,
4 each county where the territory to be severed is
5 located must, within thirty days of the conclusion of
6 the consultation process, adopt a resolution approving
7 or rejecting the proposed amendment. If a resolution
8 approving the proposed amendment to an urban renewal
9 plan is received from each county where the territory
10 to be severed is located, or if the board of
11 supervisors of each county where the territory to be
12 severed is located takes no action within the thirty-
13 day time period, the governing body of the city may
14 proceed with the proposed amendment. If one or more
15 resolutions rejecting the proposed amendment to sever
16 the territory is received, the governing body of the
17 city shall not proceed with the proposed amendment to
18 the urban renewal plan.
19 If an urban renewal plan is amended and the
20 amendment to the plan provides for the addition of
21 territory to the urban renewal area, the assessment
22 year established for the territory added for purposes
23 of dividing revenue under section 403.19 shall be the
24 assessment year determined pursuant to section 403.19,
25 subsection 10.
26 6. Upon the approval by a municipality of an urban
27 renewal plan or of any ~~modification thereof~~ amendment
28 to an urban renewal plan, such plan or ~~modification~~
29 amendment shall be deemed to be in full force and
30 effect for the respective urban renewal area, and the
31 municipality may then cause such plan or ~~modification~~
32 amendment to be carried out in accordance with its
33 terms.
34 Sec. 4. Section 403.5, Code 2003, is amended by
35 adding the following new subsection:
36 NEW SUBSECTION. 8. The designation of an urban
37 renewal area pursuant to this section shall be limited
38 in duration to twenty years counting from July 1 of
39 the first fiscal year in which the municipality
40 receives moneys from a division of revenue pursuant to
41 section 403.19. However, the duration of an urban
42 renewal area established before July 1, 2003, shall be
43 limited to twenty years counting from July 1 of the
44 first fiscal year in which the municipality received
45 moneys from a division of revenue pursuant to section
46 403.19, or shall end June 30 of the fiscal year in

47 which the amount of loans, advances, indebtedness, or
48 bonds due and owing on the effective date of this Act
49 is paid, whichever is later. Indebtedness incurred
50 after the effective date of this Act to refund bonds

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1 issued prior to the effective date of this Act shall
2 not be considered loans, advances, indebtedness, or
3 bonds due and owing on the effective date of this Act.
4 An amendment to an urban renewal plan shall not result
5 in an extension of the durational limitation imposed
6 in this subsection.
7 Sec. 5. Section 403.6, subsection 6, paragraph b,
8 Code 2003, is amended to read as follows:
9 b. Urban renewal plans adopted, or amended,
10 pursuant to the requirements of section 403.5;
11 Sec. 6. Section 403.6, subsection 12, Code 2003,
12 is amended to read as follows:
13 12. To approve and amend urban renewal plans,
14 subject to the requirements of section 403.5.
15 Sec. 7. Section 403.15, subsection 2, Code 2003,
16 is amended to read as follows:
17 2. If the urban renewal agency is authorized to
18 transact business and exercise powers pursuant to this
19 chapter, the mayor or chairperson of the board, as
20 applicable, by and with the advice and consent of the
21 local governing body, shall appoint four members of a
22 board of commissioners of the urban renewal agency,
23 which board shall consist of five ~~seven~~ commissioners.
24 In cities having a population of more than one hundred
25 thousand, the city council may establish, by
26 ordinance, the number of commissioners at not less
27 than five. The affected taxing entities, other than
28 the municipality that has approved the urban renewal
29 plan, shall appoint three members of the board of
30 commissioners of the urban renewal agency. The term
31 of office of each such commissioner shall be one year.
32 Sec. 8. Section 403.17, subsection 10, Code 2003,
33 is amended to read as follows:
34 10. "Economic development area" means an area of a
35 municipality designated by the local governing body as
36 appropriate for commercial and industrial enterprises;
37 or public improvements related to housing and
38 residential development, or construction of housing
39 and residential development for low and moderate
40 income families, including single or multifamily
41 housing. If an urban renewal plan for an urban
42 renewal area is based upon a finding that the area is
43 an economic development area and that no part contains
44 slum or blighted conditions, then the division of
45 revenue provided in section 403.10 and stated in the

46 ~~plan shall be limited to twenty years from the~~
47 ~~calendar year following the calendar year in which the~~
48 ~~municipality first certifies to the county auditor the~~
49 ~~amount of any loans, advances, indebtedness, or bonds~~
50 ~~which qualify for payment from the division of revenue~~

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1 ~~provided in section 403.19.~~ Such designated area
2 shall not include agricultural land, including land
3 which is part of a century farm, unless the owner of
4 the agricultural land or century farm agrees to
5 include the agricultural land or century farm in the
6 urban renewal area. For the purposes of this
7 subsection, "century farm" means a farm in which at
8 least forty acres of such farm have been held in
9 continuous ownership by the same family for one
10 hundred years or more.
11 Sec. 9. Section 403.17, Code 2003, is amended by
12 adding the following new subsection:
13 NEW SUBSECTION. 12A. "Indebtedness" includes, but
14 is not limited to, a written agreement to suspend,
15 abate, exempt, rebate, refund, or reimburse property
16 taxes or to provide a grant for property taxes paid.
17 Sec. 10. Section 403.19, subsection 1, paragraphs
18 a and b, Code 2003, are amended to read as follows:
19 a. Unless otherwise provided in this section, that
20 portion of the taxes which would be produced by the
21 rate at which the tax is levied each year by or for
22 each of the taxing districts upon the total sum of the
23 ~~assessed taxable~~ value of the ~~taxable~~ property in the
24 urban renewal area, as shown on the assessment roll as
25 of January 1 of the calendar year preceding the first
26 calendar year in which the municipality certifies to
27 the county auditor the amount of loans, advances,
28 indebtedness, or bonds payable from the division of
29 property tax revenue, or on the assessment roll last
30 equalized prior to the date of initial adoption of the
31 urban renewal plan if the plan was adopted prior to
32 July 1, 1972, shall be allocated to and when collected
33 be paid into the fund for the respective taxing
34 district as taxes by or for the taxing district into
35 which all other property taxes are paid. However, the
36 municipality may choose to divide that portion of the
37 taxes which would be produced by levying the
38 municipality's portion of the total tax rate levied by
39 or for the municipality upon the total sum of the
40 ~~assessed taxable~~ value of the ~~taxable~~ property in the
41 urban renewal area, as shown on the assessment roll as
42 of January 1 of the calendar year preceding the
43 effective date of the ordinance and if the
44 municipality so chooses, an affected taxing entity may

45 allow a municipality to divide that portion of the
46 taxes which would be produced by levying the affected
47 taxing district's portion of the total tax rate levied
48 by or for the affected taxing entity upon the total
49 sum of the ~~assessed taxable~~ value of the ~~taxable~~
50 property in the urban renewal area, as shown on the

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1 assessment roll as of January 1 of the calendar year
2 preceding the effective date of the ordinance. This
3 choice to divide a portion of the taxes shall not be
4 construed to change the effective date of the division
5 of property tax revenue with respect to an urban
6 renewal plan in existence on July 1, 1994.

7 b. For the purpose of allocating taxes levied by
8 or for any taxing district which did not include the
9 territory in an urban renewal area on the effective
10 date of the ordinance or initial adoption of the plan,
11 but to which the territory has been annexed or
12 otherwise included after the effective date, the
13 assessment roll applicable to property in the annexed
14 territory as of January 1 of the calendar year
15 preceding the effective date of the ordinance, which
16 amends the plan to include the annexed area, shall be
17 used in determining the ~~assessed taxable~~ valuation of
18 the ~~taxable~~ property in the annexed area.

19 Sec. 11. Section 403.19, subsection 2, Code 2003,
20 is amended to read as follows:

21 2. That portion of the taxes each year in excess
22 of such amount shall be allocated to and when
23 collected be paid into a special fund of the
24 municipality to pay the principal of and interest on
25 loans, moneys advanced to, or indebtedness, whether
26 funded, refunded, assumed, or otherwise, including
27 bonds issued under the authority of section 403.9,
28 subsection 1, incurred by the municipality to finance
29 or refinance, in whole or in part, an urban renewal
30 project within the area, and to provide assistance for
31 low and moderate income family housing as provided in
32 section 403.22, ~~except that, However, taxes for the~~
33 ~~regular and voter-approved physical plant and~~
34 ~~equipment levy of a school district imposed pursuant~~
35 ~~to section 298.2~U, and taxes for the payment of bonds~~
36 ~~and interest of each taxing district must, and for~~
37 ~~fiscal years beginning on or after July 1, 2004, the~~
38 ~~foundation property tax imposed pursuant to section~~
39 ~~257.3, subsection 1, unless the board of directors of~~
40 ~~the school district by resolution adopted pursuant to~~
41 ~~subsection 8 directs that the foundation property tax~~
42 ~~be paid to the municipality or unless the municipality~~
43 ~~provides the certification required under subsection~~

44 9, shall be collected against all taxable property
45 within the taxing district without limitation by the
46 provisions of this subsection. ~~However In addition,~~
47 all or a portion of the taxes for the physical plant
48 and equipment levy shall be paid by the school
49 district to the municipality if ~~the auditor certifies~~
50 ~~to the school district by July 1 the amount of such~~

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1 ~~levy that is necessary to pay the principal and~~
2 ~~interest on bonds issued by the municipality to~~
3 ~~finance an urban renewal project, which bonds were~~
4 ~~issued before July 1, 2001. Indebtedness incurred to~~
5 ~~refund bonds issued prior to July 1, 2001, shall not~~
6 ~~be included in the certification. Such school~~
7 ~~district shall pay over the amount certified by~~
8 ~~November 1 and May 1 of the fiscal year following~~
9 ~~certification to the school district subsection 7~~
10 ~~applies.~~
11 PARAGRAPH DIVIDED. Unless and until the total
12 ~~assessed taxable~~ valuation of the ~~taxable~~ property in
13 an urban renewal area exceeds the total ~~assessed~~
14 ~~taxable~~ value of the ~~taxable~~ property in such area as
15 shown by the last equalized assessment roll referred
16 to in subsection 1, all of the taxes levied and
17 collected upon the taxable property in the urban
18 renewal area shall be paid into the funds for the
19 respective taxing districts as taxes by or for the
20 taxing districts in the same manner as all other
21 property taxes. When such loans, advances,
22 indebtedness, and bonds, if any, and interest thereon,
23 have been paid, all moneys thereafter received from
24 taxes upon the taxable property in such urban renewal
25 area shall be paid into the funds for the respective
26 taxing districts in the same manner as taxes on all
27 other property.
28 Sec. 12. Section 403.19, subsection 5, Code 2003,
29 is amended to read as follows:
30 5. A municipality shall certify to the county
31 auditor on or before December 1 of each year the
32 amount of loans, advances, indebtedness, or bonds
33 which qualify for payment during the fiscal year
34 beginning in the following calendar year from the
35 special fund referred to in subsection 2, and the
36 filing of the certificate shall make it a duty of the
37 auditor to provide for the division of taxes in ~~each~~
38 ~~subsequent the amount certified for the fiscal year~~
39 ~~until the amount of the loans, advances, indebtedness,~~
40 ~~or bonds is paid to the special fund beginning in the~~
41 following calendar year. The municipality shall
42 include in the certification a schedule of the total

43 amount of loans, advances, indebtedness, or bonds for
44 which taxes mentioned in subsection 2 will be
45 allocated and a schedule of payments for such amounts.
46 In any year, the county auditor shall, upon receipt of
47 a certified request from a municipality filed on or
48 before December 1, increase the amount to be allocated
49 under subsection 1 in order to reduce the amount to be
50 allocated in the following fiscal year to the special

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1 fund, to the extent that the municipality does not
2 request allocation to the special fund of the full
3 portion of taxes which could be collected. Upon
4 receipt of a certificate from a municipality, the
5 auditor shall mail a copy of the certificate to each
6 affected taxing district.
7 Sec. 13. Section 403.19, subsection 7, Code 2003,
8 is amended to read as follows:
9 7. For any fiscal year, a municipality may certify
10 to the county auditor for physical plant and equipment
11 revenue necessary for payment of principal and
12 interest on bonds issued prior to July 1, 2001, only
13 if the municipality certified for such revenue for the
14 fiscal year beginning July 1, 2000. A municipality
15 shall not certify to the county auditor for a school
16 district more than the amount the municipality
17 certified for the fiscal year beginning July 1, 2000.
18 If for any fiscal year a municipality fails to certify
19 to the county auditor for a school district by July 1
20 the amount of physical plant and equipment revenue
21 necessary for payment of principal and interest on
22 such bonds, as provided in subsection 2, the school
23 district is not required to pay over the revenue to
24 the municipality. The county auditor shall
25 immediately certify to the school district the amount
26 of such levy that is necessary to pay the principal
27 and interest on bonds issued by the municipality to
28 finance an urban renewal project, which bonds were
29 issued prior to July 1, 2001. Indebtedness incurred
30 to refund bonds issued prior to July 1, 2001, shall
31 not be included in the certification. Such school
32 district shall pay over the amount certified by
33 November 1 and May 1 of the fiscal year following
34 certification to the school district.
35 PARAGRAPH DIVIDED. If a school district and a
36 municipality are unable to agree on the amount of
37 physical plant and equipment revenue certified by the
38 municipality for the fiscal year beginning July 1,
39 2001, either party may request that the state appeal
40 board review and finally pass upon the amount that may
41 be certified. Such appeals must be presented in

42 writing to the state appeal board no later than July
43 31 following certification. The burden shall be on
44 the municipality to prove that the physical plant and
45 equipment levy revenue is necessary to pay principal
46 and interest on bonds issued prior to July 1, 2001. A
47 final decision must be issued by the state appeal
48 board no later than the following October 1.
49 Sec. 14. Section 403.19, Code 2003, is amended by
50 adding the following new subsections:

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1 NEW SUBSECTION. 8. For fiscal years beginning on
2 or after July 1, 2004, the board of directors of a
3 school district may, by resolution, direct that the
4 amount of foundation property tax imposed against the
5 valuation in subsection 2 be paid into the special
6 fund of the municipality. The resolution may apply to
7 plans or projects begun on or after July 1, 2003, and
8 shall be in effect for the life of the urban renewal
9 plan, or for a lesser period of time if the school
10 district board of directors and the governing body of
11 the municipality agree. The resolution shall be filed
12 with the county auditor.
13 NEW SUBSECTION. 9. For any fiscal year, a
14 municipality may certify to the county auditor for
15 foundation property tax revenue of a school district
16 necessary for payment of principal and interest on
17 obligations incurred prior to July 1, 2004, only if
18 the municipality certified for such revenue on or
19 before May 15, 2003. A municipality shall not certify
20 to the county auditor for a school district more than
21 the amount the municipality certified on or before May
22 15, 2003. If for any fiscal year a municipality fails
23 to certify to the county auditor for a school district
24 by July 1 the amount of foundation property tax
25 revenue of a school district necessary for payment of
26 principal and interest on such obligations, as
27 provided in subsection 2, the school district is not
28 required to pay over the revenue to the municipality.
29 The county auditor shall immediately certify to the
30 school district the amount of such levy that is
31 necessary to pay the principal and interest on
32 obligations incurred by the municipality to finance an
33 urban renewal project, which obligations were incurred
34 prior to July 1, 2004. Indebtedness incurred to
35 refund bonds issued prior to July 1, 2004, shall not
36 be included in the certification. Such school
37 district shall pay over the amount certified by
38 November 1 and May 1 of the fiscal year following
39 certification to the school district.
40 If a school district and a municipality are unable

41 to agree on the amount of foundation property tax
42 revenue of a school district certified by the
43 municipality for the fiscal year beginning July 1,
44 2004, either party may request that the state appeal
45 board review and finally pass upon the amount that may
46 be certified. Such appeals must be presented in
47 writing to the state appeal board no later than July
48 31 following certification. The burden shall be on
49 the municipality to prove that the foundation property
50 tax levy revenue is necessary to pay principal and

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1 interest on obligations incurred prior to July 1,
2 2004. A final decision must be issued by the state
3 appeal board no later than the following October 1.
4 NEW SUBSECTION. 10. If an urban renewal plan is
5 amended and the amendment to the plan provides for the
6 addition of territory to the urban renewal area, the
7 assessment year for the territory added for purposes
8 of dividing revenue under this section shall be the
9 assessment year beginning January 1 of the calendar
10 year preceding the calendar year in which the
11 municipality adopted the amendment.
12 NEW SUBSECTION. 11. When all loans, advances,
13 indebtedness, and bonds, if any, and interest thereon,
14 have been paid, revenues from taxes levied on taxable
15 property in an urban renewal area shall not be divided
16 pursuant to this section and shall not be deposited in
17 a special fund under subsection 2.
18 NEW SUBSECTION. 12. On or after July 1, 2003, a
19 municipality shall not enter into a written agreement,
20 or shall not extend or renew an existing agreement, to
21 use revenues paid into the special fund in subsection
22 2 to suspend, abate, exempt, rebate, refund, or
23 reimburse property taxes, or to provide a grant for
24 property taxes paid, in an urban renewal area if the
25 property taxes are imposed against retail property.
26 For the purposes of this subsection, "retail property"
27 means property that is assessed as commercial property
28 for property tax purposes and from which is sold at
29 retail tangible goods, wares, or merchandise on the
30 premises to the general public, which are subject to
31 the state sales tax, but shall not include property on
32 which the sales of retail tangible goods, wares, or
33 merchandise constitutes a use of less than fifty
34 percent of the structures on the property.
35 Sec. 15. NEW SECTION. 403.19a DEBT LIMITATION
36 FOR URBAN RENEWAL AREAS.
37 1. For fiscal years beginning on or after July 1,
38 2003, the total amount of loans, advances,
39 indebtedness, and bonds payable from the special fund

40 of a municipality established in section 403.19,
41 subsection 2, in all urban renewal areas designated by
42 a municipality shall not exceed, in any year, an
43 amount equal to five percent of the total assessed
44 value of the taxable property in the municipality.
45 2. If the total amount of loans, advances,
46 indebtedness, and bonds issued or incurred for
47 projects in all urban renewal areas designated by a
48 municipality and payable from the special fund of a
49 municipality established in section 403.19, subsection
50 2, which loans, advances, indebtedness, and bonds are

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1 outstanding on the effective date of this Act, exceeds
2 the limitation in subsection 1, the municipality may
3 continue to allocate moneys from the special fund to
4 pay such loans, advances, indebtedness, and bonds.
5 However, the municipality shall not issue or incur
6 loans, advances, indebtedness, or bonds payable from
7 the special fund on or after the effective date of
8 this Act for urban renewal purposes unless the amount
9 of such loans, advances, indebtedness, or bonds when
10 combined with the amount of loans, advances,
11 indebtedness, or bonds issued or incurred before the
12 effective date of this Act, meets the limitation
13 established in subsection 1.
14 3. For fiscal years beginning on or after July 1,
15 2003, a city may exceed the debt limitation in this
16 section only if the proposed plan or proposed
17 amendment that will result in the debt limitation
18 being exceeded is approved by resolution of the board
19 of supervisors of each affected taxing entity that is
20 a county within thirty days of the conclusion of the
21 consultation process in section 403.5, subsection 2.
22 If a resolution approving the proposed urban renewal
23 plan or the proposed amendment to an urban renewal
24 plan that would result in exceeding the debt
25 limitation is received from each county that is an
26 affected taxing entity, or if the board of supervisors
27 of each county that is an affected taxing entity takes
28 no action within the thirty-day time period, the
29 governing body of the city may proceed with the
30 proposed plan or proposed amendment. The resolution
31 approving the proposed plan or amendment shall remain
32 in effect for the life of the plan or project,
33 whichever is applicable. If one or more resolutions
34 rejecting the proposed plan or proposed amendment is
35 received, the city shall not proceed with the proposed
36 plan or amendment. However, the city may proceed with
37 the proposed plan or amendment but the county portion
38 of the levy shall not be divided and paid into the

39 special fund of the city pursuant to section 403.19,
40 subsection 2, for purposes of funding a project
41 proposed under the plan or amendment.
42 4. For purposes of this section, an urban renewal
43 area of a city includes urban renewal areas
44 established by the city in the area of operation of
45 the city and an urban renewal area of a county
46 includes urban renewal areas established by a county
47 in the area of operation of the county. For purposes
48 of this section, the total assessed value of the
49 taxable property in a city includes only the assessed
50 value of the taxable property within the corporate

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1 limits of the city regardless of where the urban
2 renewal area established by the city is located. For
3 purposes of this section, "assessed value" means the
4 valuations determined by the assessor before
5 application of any assessment limitations in section
6 441.21.
7 Sec. 16. Section 403.20, Code 2003, is repealed.
8 Sec. 17. EFFECTIVE AND APPLICABILITY DATE. This
9 Act, being deemed of immediate importance, takes
10 effect upon enactment and applies to urban renewal
11 areas and urban renewal projects established, and
12 urban renewal plans adopted, before, on, or after the
13 effective date."

Ford of Polk asked and received unanimous consent to withdraw amendment [H-1463](#), to amendment [H-1457](#), filed by him on April 24, 2003.

Huser of Polk asked and received unanimous consent that amendment [H-1467](#) be deferred.

Kramer of Polk offered the following amendment [H-1469](#), to amendment [H-1457](#), filed by him and moved its adoption:

H-1469

1 Amend the amendment, H-1457, to [House File 686](#) as
2 follows:
3 1. Page 2, line 35, by striking the word
4 "subsection" and inserting the following:
5 "subsections".
6 2. Page 2, line 36, by striking the word "The"
7 and inserting the following: "Except as otherwise
8 provided in subsection 9, the".

9 3. Page 3, by inserting after line 6, the
10 following:
11 "NEW SUBSECTION. 9. If an urban renewal plan for
12 an urban renewal area is based on a finding that the
13 area is a slum or blighted area, the division of taxes
14 authorized in section 403.19 shall be deemed to
15 continue beyond the period described in subsection 8
16 if the ordinance of the municipality providing for the
17 division of taxes under section 403.19 within such
18 urban renewal area provides that the portion of taxes
19 described in section 403.19, subsection 1, and
20 allocated as provided in that subsection shall be
21 recalculated at the end of the period described in
22 subsection 8, and every ten years thereafter, and
23 shall be determined from and after said dates based
24 upon the assessed value of the taxable property within
25 the urban renewal area as of a date five years after
26 the date of the assessment roll previously used under
27 the ordinance to determine the portion of taxes
28 described in section 403.19, subsection 1."
29 4. Page 8, line 19, by inserting after the figure
30 "2003." the following: "For purposes of this
31 subsection, a municipality may certify for such
32 revenue with respect to obligations which, on the
33 effective date of this Act, had been authorized to be
34 issued or incurred."
35 5. Page 10, line 4, by inserting after the word
36 "bonds" the following: ", and also to pay loans,
37 advances, indebtedness, and bonds which had been
38 authorized to be issued or incurred prior to the
39 effective date of this Act".

Amendment [H-1469](#) was adopted.

Huser of Polk asked and received unanimous consent to withdraw amendment [H-1467](#), to amendment [H-1457](#), previously deferred, filed by Fallon of Polk on April 24, 2003.

On motion by Kramer of Polk, amendment [H-1457](#), as amended, was adopted placing out of order amendments [H-1390](#) filed by Shultz of Black Hawk on April 22, 2003 and [H-1406](#) filed by Ford of Polk on April 22, 2003.

Kramer of Polk moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 686](#))

The ayes were, 91:

Alons	Arnold	Baudler	Berry
Boal	Boggess	Bukta	Carroll
Chambers	Cohoon	Connors	Dandekar
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Fallon
Foege	Ford	Freeman	Frevert
Gaskill	Gipp	Granzow	Greimann
Greiner	Hahn	Hanson	Heaton
Heddens	Hoffman	Hogg	Horbach
Hunter	Huseman	Huser	Jacobs
Jenkins	Jochum	Jones	Klemme
Kramer	Kuhn	Kurtenbach	Lalk
Lensing	Lukan	Lykam	Maddox
Manternach	Mascher	McCarthy	Mertz
Miller	Murphy	Myers	Oldson
Olson, D.	Olson, S.	Paulsen	Petersen
Quirk	Raecker	Rasmussen	Reasoner
Roberts	Sands	Shoultz	Smith
Stevens	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Watts
Wendt	Whitaker	Whitead	Wilderdyke
Winckler	Wise	Hansen, Presiding	

The nays were, 6:

Bell	Boddicker	Hutter	Rayhons
Schickel	Van Fossen, J.R.		

Absent or not voting, 3:

Davitt	Osterhaus	Rants, Spkr.
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The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

House File 689, a bill for an act relating to ethanol blended gasoline, by providing for tax credits and for their retroactive applicability, providing for refunds, and providing for an effective date, was taken up for consideration.

Drake of Pottawattamie moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" (**H.F. 689**)

The ayes were, 96:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Bogges
Bukta	Carroll	Chambers	Cohoon
Connors	Dandekar	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Fallon	Foege	Ford
Freeman	Frevert	Gaskill	Gipp
Granzow	Greimann	Greiner	Hahn
Hanson	Heaton	Heddens	Hoffman
Hogg	Horbach	Huseman	Huser
Hutter	Jacobs	Jenkins	Jochum
Jones	Klemme	Kramer	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Manternach	Mascher
McCarthy	Mertz	Miller	Murphy
Myers	Oldson	Olson, D.	Olson, S.
Paulsen	Petersen	Quirk	Raecker
Rasmussen	Rayhons	Reasoner	Roberts
Sands	Schickel	Shoultz	Smith
Stevens	Struyk	Swaim	Taylor, D.
Taylor, T.	Thomas	Tjepkes	Tymeson
Upmeyer	Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.
Watts	Wendt	Whitaker	Whitead
Wilderdyke	Winckler	Wise	Hansen, Presiding

The nays were, 1:

Hunter

Absent or not voting, 3:

Davitt Osterhaus Rants, Spkr.

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

Unfinished Business Calendar

[Senate File 383](#), a bill for an act authorizing the establishment of an Iowa virtual academy, authorizing the board of educational examiners to license instructors of internet courses, and providing an effective date, with report of committee recommending passage, was taken up for consideration.

Tymeson of Madison offered amendment [H-1373](#) filed by Tymeson, et al., as follows:

H-1373

1 Amend [Senate File 383](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. By striking everything after the enacting
4 clause and inserting the following:
5 "Section 1. Section 256.7, subsection 7,
6 unnumbered paragraph 5, Code 2003, is amended to read
7 as follows:
8 For the purpose of the rules adopted by the state
9 board, telecommunications means narrowcast
10 communications through systems that are directed
11 toward a narrowly defined audience, ~~and~~ includes
12 interactive live communications, and includes internet
13 web-based applications.
14 Sec. 2. Section 256.7, Code 2003, is amended by
15 adding the following new subsection:
16 NEW SUBSECTION. 26. Adopt rules establishing a
17 course catalog and a clearinghouse for courses offered
18 through internet web-based and Iowa communications
19 network applications. The rules shall establish
20 quality standards for internet web-based courses and
21 an approval process for nonprofit and private
22 providers of internet web-based courses. School
23 districts, accredited nonpublic schools, and area
24 education agencies are encouraged to meet the quality
25 standards. Nonprofit and private providers approved
26 by the department shall meet the quality standards.
27 Upon request and at no cost to the course provider,
28 the department shall include in the course catalog
29 those courses provided by a school district,
30 accredited nonpublic school, area education agency,
31 accredited higher education institution providing
32 courses under section 261C.4 or section 257.11,
33 subsection 3, accredited higher education institution
34 providing internet web-based advanced placement
35 courses, or any other provider approved by the
36 department. In addition, the rules shall allow the
37 department, if funds are available from a source other
38 than the general fund of the state, to act as a
39 clearinghouse to assist school districts and area
40 education agencies in the development of courseware,
41 provide preliminary information on the copyright of
42 courses developed, recommend appropriate course fees,
43 assist providers in securing appropriately licensed
44 teachers, and assist school districts and accredited
45 nonpublic schools in scheduling.
46 Sec. 3. VIRTUAL ACADEMY STUDY.
47 1. The department of education shall conduct a
48 study regarding the feasibility of establishing a
49 state-sponsored virtual academy for students in grades
50 seven through twelve. The study shall address

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1 curriculum qualifications; scheduling; appropriate
2 licensure of individuals, other than teachers licensed
3 under chapter 272, to teach courses using internet
4 web-based and Iowa communications network
5 applications; responsibilities of the district or
6 accredited nonpublic school seeking to access courses
7 from the state-sponsored virtual academy; and the
8 conditions under which the department may grant a
9 waiver to permit a district to meet an accreditation
10 standard through telecommunications. The study shall
11 include a review of other private and publicly
12 sponsored virtual academies. The study shall also
13 include a five-year implementation and fiscal
14 estimate. The fiscal estimate shall include
15 operational costs of the prospective state-sponsored
16 virtual academy and any potential impact on the
17 general fund of the state through the state school
18 foundation program.

19 2. The director of the department shall convene a
20 group of education stakeholders who may provide input
21 into the study and its recommendations. The
22 stakeholders group shall include, at minimum, a
23 representative from a public and private accredited
24 postsecondary institution providing courses under
25 section 261C.4 or section 257.11, subsection 3; an
26 accredited higher education institution providing
27 internet web-based advanced placement courses; the
28 Iowa association of school boards; the school
29 administrators of Iowa; the Iowa state education
30 association; area education agencies; accredited
31 nonpublic schools; the board of educational examiners;
32 and others deemed appropriate by the department.

33 3. The department shall submit its findings and
34 recommendations in a report to the chairpersons and
35 ranking members of the senate and house standing
36 committees on education and the joint appropriations
37 subcommittee on education by December 15, 2003."

38 2. Title page, by striking lines 1 through 4 and
39 inserting the following: "An Act relating to the use
40 of telecommunications as an instructional tool,
41 authorizing the state board of education to adopt
42 rules establishing a course catalog and a
43 clearinghouse for courses offered through internet
44 web-based and Iowa communications network

45 applications, and directing the department of
46 education to conduct a virtual academy study."

Tymeson of Madison offered the following amendment [H-1393](#), to amendment [H-1373](#), filed by Tymeson, et al., and moved its adoption:

H-1393

- 1 Amend the amendment, H-1373, to [Senate File 383](#), as
- 2 amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 1, line 12, by inserting after the word
- 5 "and" the following: ", until July 1, 2005,".
- 6 2. Page 2, line 10, by inserting after the word
- 7 "standard" the following: "for kindergarten through
- 8 grade twelve".

Amendment [H-1393](#) was adopted.

On motion by Tymeson of Madison amendment [H-1373](#), as amended, was adopted.

Tymeson of Madison moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 383](#))

The ayes were, 94:

Alons	Arnold	Baudler	Bell
Berry	Boal	Boddicker	Boggess
Bukta	Carroll	Chambers	Cohoon
Connors	Dandekar	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Fallon	Foege	Ford
Freeman	Frevert	Gaskill	Gipp
Granzow	Greimann	Greiner	Hahn
Hanson	Heaton	Heddens	Hoffman
Hogg	Hunter	Huseman	Huser
Hutter	Jacobs	Jenkins	Jochum
Jones	Klemme	Kramer	Kuhn
Kurtenbach	Lalk	Lensing	Lukan
Lykam	Maddox	Manternach	Mascher
McCarthy	Mertz	Miller	Murphy
Myers	Oldson	Olson, D.	Olson, S.
Paulsen	Petersen	Quirk	Raecker
Rasmussen	Rayhons	Reasoner	Roberts
Sands	Schickel	Smith	Stevens
Struyk	Swaim	Taylor, D.	Taylor, T.
Thomas	Tjepkes	Tymeson	Upmeyer

Van Engelenhoven	Van Fossen, J.R.	Watts	Wendt
Whitaker	Whitead	Wilderdyke	Winckler
Wise	Hansen,		
	Presiding		

The nays were, none.

Absent or not voting, 6:

Davitt	Horbach	Osterhaus	Rants, Spkr.
Shoultz	Van Fossen, J.K.		

The bill having received a constitutional majority was declared to have passed the House and the title, as amended, was agreed to.

IMMEDIATE MESSAGES

Gipp of Winneshiek asked and received unanimous consent that the following bills be immediately messaged to the Senate: **House Files 689** and **[Senate File 383](#)**.

MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on April 25, 2003, passed the following bill in which the concurrence of the House is asked:

[Senate File 453](#), a bill for an act relating to state and local government financial and regulatory matters, making and reducing appropriations, providing a fee, and providing applicability and effective dates.

MICHAEL E. MARSHALL, Secretary

SENATE MESSAGES CONSIDERED

[Senate File 449](#), by committee on ways and means, a bill for an act providing a wind energy production tax credit under the individual and corporate income taxes, the franchise tax, and insurance premiums tax and including an applicability date provision

Read first time and **passed on file**.

[Senate File 453](#), by committee on appropriations, a bill for an act relating to state and local government financial and regulatory matters, making and reducing appropriations, providing a fee, increasing civil penalties, and providing applicability and effective dates.

Read first time and **passed on file.**

The House stood at ease at 10:20 a.m., until the fall of the gavel.

The House resumed session at 2:03 p.m., Speaker Rants in the chair.

QUORUM CALL

A non-record roll call was requested to determine that a quorum was present. The vote revealed eighty-one members present, nineteen absent.

Appropriations Calendar

[House File 694](#), a bill for an act relating to the judicial branch including by establishing a judicial district and judicial election district redistricting process, making changes to the nomination, appointment, and retention of judges, expanding magistrate courts, eliminating the position of alternate district associate judge, permitting district judgeships to be apportioned or transferred to another judicial district, requiring the county sheriff to serve a summons in certain delinquency proceedings, eliminating the participation of the foster care review board in voluntary foster care placements, waiving the filing fee and court costs in certain contempt actions, changing the duties of and the procedures related to the clerk of the district court, providing that interest on a judgment be calculated upon the one year treasury constant maturity plus two percent, expanding the access of the deferred judgment docket, prohibiting regional litigation centers, modifying the schedule of the probate court, providing for a fee, and providing for a study, was taken up for consideration.

Swaim of Davis offered the following amendment [H-1480](#) filed by Swaim, Whitaker of Van Buren and Gaskill of Wapello from the floor and moved its adoption:

H-1480

- 1 Amend [House File 694](#) as follows:
- 2 1. Page 1, by striking lines 1 through 13.
- 3 2. By renumbering as necessary.

Amendment [H-1480](#) lost.

Swaim of Davis offered the following amendment [H-1479](#) filed by Swaim, Kuhn of Floyd, Whitaker of Van Buren and Mertz of Kossuth from the floor and moved its adoption:

H-1479

- 1 Amend [House File 694](#) as follows:
- 2 1. By striking page 12, line 26, through page 13,
- 3 line 9.
- 4 2. By renumbering as necessary.

Amendment [H-1479](#) lost.

Kuhn of Floyd offered the following amendment [H-1478](#) filed by him and Mertz of Kossuth from the floor and moved its adoption:

H-1478

- 1 Amend [House File 694](#) as follows:
- 2 1. Page 15, by striking lines 6 through 16 and
- 3 inserting the following: "court to the general
- 4 assembly."

Amendment [H-1478](#) lost.

Swaim of Davis offered the following amendment [H-1476](#) filed by Swaim, Kuhn of Floyd, Mertz of Kossuth, Whitaker of Van Buren, Gaskill of Wapello and Reasoner of Union from the floor and moved its adoption:

H-1476

- 1 Amend [House File 694](#) as follows:
- 2 1. Page 17, by striking lines 21 through 31 and
- 3 inserting the following:
- 4 "NEW SUBSECTION. 11. If a vacancy in a judgeship
- 5 occurs, the judgeship shall be apportioned to the
- 6 judicial election district having the greatest
- 7 percentage of need between authorized judgeships and
- 8 judgeships specified by the formula in subsection 3,
- 9 as calculated by the state court administrator. If
- 10 two or more judicial election districts have an equal
- 11 percentage of need between authorized judgeships and
- 12 judgeships specified by the formula, the judgeship
- 13 shall be apportioned by the state court administrator.
- 14 However, an apportionment under this section shall not
- 15 occur if the results of the apportionment would cause
- 16 the judicial election district in which the vacancy

17 occurs to have a greater percentage of need between
18 authorized judgeships and judgeships specified under
19 the formula as calculated by the state court
20 administrator, than would the judicial election
21 district which would receive the apportioned
22 judgeship."
23 2. By striking page 17, line 32, through page 18,
24 line 27, and inserting the following:
25 "NEW SUBSECTION. 12. Notwithstanding any other
26 provision of the Code to the contrary, if the chief
27 justice of the supreme court determines an inequity
28 exists in the allocation of judgeships and judicial
29 workload between judicial election districts, the
30 chief justice may authorize a voluntary permanent
31 transfer of a district judge from one judicial
32 election district to another. The chief justice shall
33 notify all eligible district judges of the intent to
34 authorize a voluntary permanent transfer and the terms
35 of such a transfer. The chief justice may transfer a
36 district judge who consents to the transfer within six
37 months of the notification. The transfer of a
38 district judge shall take effect within sixty days of
39 the official announcement of the transfer by the chief
40 justice. A district judge transferred pursuant to
41 this subsection shall have six months from the date of
42 the announcement of the transfer to establish
43 residency in the judicial election district where the
44 district judge is transferred. A district judge who
45 has been transferred shall stand for retention in the
46 judicial election district to which the district judge
47 has been transferred as provided in chapter 46. For
48 purposes of subsection 3, the judgeship shall be
49 apportioned to the judicial election district where
50 the judge is transferred. A voluntary transfer

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1 pursuant to this subsection shall not cause a vacancy
2 of a judgeship in the judicial election district from
3 which the district judge was transferred. A transfer
4 under this section shall not occur if the results of
5 the transfer would cause the judicial election
6 district from which the district judge would be
7 transferred to have a greater percentage of need
8 between authorized judgeships and judgeships specified
9 under the formula as calculated by the state court
10 administrator, than would the judicial election
11 district to which the district judge would be
12 transferred."
13 3. By renumbering as necessary.

A non-record roll call was requested.

The ayes were 40, nays 51.

Amendment [H-1476](#) lost.

Swaim of Davis offered the following amendment [H-1477](#) filed by Swaim, Whitaker of Van Buren, Mertz of Kossuth, Reasoner of Union and Gaskill of Wapello from the floor and moved its adoption:

H-1477

- 1 Amend [House File 694](#) as follows:
- 2 1. Page 32, line 22, by striking the word
- 3 "twenty-six" and inserting the following: "thirty-
- 4 one".
- 5 2. Page 32, by striking lines 25 through 28, and
- 6 inserting the following:
- 7 "___ One member to be selected by the majority
- 8 leader of the senate.
- 9 ___ One member to be selected by the minority
- 10 leader of the senate.
- 11 ___ One member to be selected by the majority
- 12 leader of the house of representatives.
- 13 ___ One member to be selected by the minority
- 14 leader of the house of representatives."
- 15 3. Page 33, by inserting after line 14, the
- 16 following:
- 17 "___ One member of the juvenile court officers'
- 18 association.
- 19 ___ One member to be selected by the American
- 20 federation of state, county, and municipal employees.
- 21 ___ One district court administrator to be
- 22 selected by the district court administrators of the
- 23 state."
- 24 4. By renumbering as necessary.

Amendment [H-1477](#) was adopted.

D. Olson of Boone offered amendment [H-1486](#) filed by D. Olson, Shoultz of Black Hawk and Berry of Black Hawk from the floor as follows:

H-1486

- 1 Amend [House File 694](#) as follows:
- 2 1. Page 14, by striking lines 9 through 11.
- 3 2. By renumbering, redesignating, and correcting
- 4 internal references as necessary.

Amendment [H-1486](#) lost.

Eichhorn of Hamilton moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([H.F. 694](#))

The ayes were, 89:

Alons	Baudler	Bell	Berry
Boal	Boddicker	Boggess	Bukta
Carroll	Chambers	Cohoon	Connors
Dandekar	Davitt	De Boef	Dennis
Dix	Dolecheck	Drake	Eichhorn
Elgin	Foege	Ford	Freeman
Gaskill	Gipp	Granzow	Greimann
Greiner	Hahn	Hansen	Hanson
Heaton	Heddens	Hoffman	Hogg
Horbach	Hunter	Huseman	Huser
Hutter	Jacobs	Jenkins	Jochum
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lensing	Lukan	Lykam
Maddox	Manternach	Mascher	McCarthy
Miller	Murphy	Myers	Oldson
Olson, D.	Olson, S.	Paulsen	Petersen
Raecker	Rasmussen	Rayhons	Reasoner
Roberts	Sands	Schickel	Shoultz
Smith	Struyk	Taylor, D.	Taylor, T.
Tjepkes	Tymeson	Upmeyer	Van Engelenhoven
Van Fossen, J.K.	Van Fossen, J.R.	Watts	Wendt
Whitead	Wilderdyke	Winckler	Wise
Mr. Speaker			
Rants			

The nays were, 10:

Arnold	Fallon	Frevert	Kuhn
Mertz	Quirk	Stevens	Swaim
Thomas	Whitaker		

Absent or not voting, 1:

Osterhaus

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

[HOUSE FILE 643](#) WITHDRAWN

Eichhorn of Hamilton asked and received unanimous consent to withdraw [House File 643](#) from further consideration by the House.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [House File 694](#) be immediately messaged to the Senate.

MESSAGE FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker: I am directed to inform your honorable body that the Senate has on April 25, 2003, concurred in the House amendment and adopted the following resolution in which the concurrence of the Senate was asked:

[Senate Concurrent Resolution 2](#), a concurrent resolution relating to the compensation of chaplains, officers and employees of the eightieth general assembly.

MICHAEL E. MARSHALL, Secretary

Appropriations Calendar

[House File 691](#), a bill for an act relating to state and local government financial and regulatory matters, making and reducing appropriations, providing a fee, and providing applicability and effective dates, was taken up for consideration.

Dix of Butler offered the following amendment [H-1472](#) filed by him from the floor and moved its adoption:

H-1472

- 1 Amend [House File 691](#) as follows:
- 2 1. By striking everything after the enacting
- 3 clause and inserting the following:
- 4 "DIVISION I
- 5 PROPERTY TAX REPLACEMENT

6 Section 1. Section 24.14, Code 2003, is amended to
7 read as follows:

8 24.14 TAX LIMITED.

9 A greater tax than that so entered upon the record
10 shall not be levied or collected for the municipality
11 proposing the tax for the purposes indicated and a
12 greater expenditure of public money shall not be made
13 for any specific purpose than the amount estimated and
14 appropriated for that purpose, except as provided in
15 sections 24.6 and 24.15. All budgets set up in
16 accordance with the statutes shall take such funds,
17 and allocations made by sections 123.53, and 452A.79
18 ~~and chapter 405A~~, into account, and all such funds,
19 regardless of their source, shall be considered in
20 preparing the budget.

21 Sec. 2. Section 331.403, subsection 3, Code 2003,
22 is amended to read as follows:

23 3. A county that fails to meet the filing deadline
24 imposed by this section shall have withheld from
25 payments to be made to the county and allocated to the
26 county pursuant to ~~chapter 405A~~ section 425.1 an
27 amount equal to five cents per capita until the
28 financial report is filed.

29 Sec. 3. Section 331.427, subsection 1, unnumbered
30 paragraph 1, Code 2003, is amended to read as follows:

31 Except as otherwise provided by state law, county
32 revenues from taxes and other sources for general
33 county services shall be credited to the general fund
34 of the county, including revenues received under
35 sections 9I.11, 101A.3, 101A.7, 123.36, 123.143,
36 142B.6, 176A.8, 321.105, 321.152, 321G.7, section
37 331.554, subsection 6, sections 341A.20, 364.3,
38 368.21, 422A.2, 428A.8, 430A.3, 433.15, 434.19,
39 445.57, 453A.35, 458A.21, 483A.12, 533.24, 556B.1,
40 583.6, 602.8108, 904.908, and 906.17, ~~and chapter~~
41 ~~405A~~, and the following:

42 Sec. 4. Section 384.22, unnumbered paragraph 2,
43 Code 2003, is amended to read as follows:

44 a city that fails to meet the filing deadline
45 imposed by this section shall have withheld from
46 payments to be made to the county which are allocated
47 to the city pursuant to ~~chapter 405A~~ section 425.1 an
48 amount equal to five cents per capita until the annual
49 report is filed with the auditor of state.

50 Sec. 5. Section 427B.19, subsection 3, unnumbered

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1 paragraph 1, Code 2003, is amended to read as follows:

2 On or before September 1 of each fiscal year
3 through June 30, ~~2006~~ 2004, the county auditor shall
4 prepare a statement, based upon the report received

5 pursuant to subsections 1 and 2, listing for each
6 taxing district in the county:
7 Sec. 6. Section 427B.19, subsection 3, paragraph
8 c, Code 2003, is amended to read as follows:
9 c. The industrial machinery, equipment and
10 computers tax replacement claim for each taxing
11 district. For fiscal years beginning July 1, 1996,
12 and ending June 30, 2001, the replacement claim is
13 equal to the amount determined pursuant to paragraph
14 "a", multiplied by the tax rate specified in paragraph
15 "b". For fiscal years beginning July 1, 2001, and
16 ending June 30, ~~2006~~ 2004, the replacement claim is
17 equal to the product of the amount determined pursuant
18 to paragraph "a", less any increase in valuations
19 determined in paragraph "d", and the tax rate
20 specified in paragraph "b". If the amount subtracted
21 under paragraph "d" is more than the amount determined
22 in paragraph "a", there is no tax replacement for the
23 fiscal year.
24 Sec. 7. Section 427B.19A, subsection 1, Code 2003,
25 is amended to read as follows:
26 1. The industrial machinery, equipment and
27 computers property tax replacement fund is created.
28 For the fiscal year beginning July 1, 1996, through
29 the fiscal year ending June 30, ~~2006~~ 2004, there is
30 appropriated annually from the general fund of the
31 state to the department of revenue and finance to be
32 credited to the industrial machinery, equipment and
33 computers property tax replacement fund, an amount
34 sufficient to implement this division. However, for
35 the fiscal year beginning July 1, 2003, the amount
36 appropriated to the department of revenue and finance
37 to be credited to the industrial machinery, equipment
38 and computers tax replacement fund is ten million
39 eighty-one thousand six hundred eighty-five dollars.
40 Sec. 8. Section 427B.19C, Code 2003, is amended to
41 read as follows:
42 427B.19C ADJUSTMENT OF CERTAIN ASSESSMENTS
43 REQUIRED.
44 In the assessment year beginning January 1, ~~2005~~
45 2003, the amount of assessed value of property defined
46 in section 403.19, subsection 1, for an urban renewal
47 taxing district which received replacement moneys
48 under section 427B.19A, subsection 4, shall be reduced
49 by an amount equal to that portion of the amount of
50 assessed value of such property which was assessed

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1 pursuant to section 427B.17, subsection 3.
2 Sec. 9. Section 441.73, subsection 4, Code 2003,
3 is amended to read as follows:

4 4. The executive council shall transfer for the
5 fiscal year beginning July 1, 1992, and each fiscal
6 year thereafter, from funds established in sections
7 ~~405A.8~~, 425.1, and 426.1, an amount necessary to pay
8 litigation expenses. The amount of the fund for each
9 fiscal year shall not exceed seven hundred thousand
10 dollars. The executive council shall determine
11 annually the proportionate amounts to be transferred
12 from the ~~three~~ two separate funds. At any time when
13 no litigation is pending or in progress the balance in
14 the litigation expense fund shall not exceed one
15 hundred thousand dollars. Any excess moneys shall be
16 transferred in a proportionate amount back to the
17 funds from which they were originally transferred.

18 Sec. 10. GUARANTEE OF REPLACEMENT FUNDS. The
19 revaluation of all industrial machinery, equipment,
20 and computers authorized in section 427B.19B, Code
21 2003, as a result of the insufficient funding of the
22 industrial machinery, equipment and computers property
23 tax replacement fund for the fiscal year beginning
24 July 1, 2002, is void and taxes payable in the fiscal
25 year beginning July 1, 2003, shall not be levied on
26 the amount of such revaluation.

27 Sec. 11. Sections 403.23, 405A.1, 405A.2, 405A.3,
28 405A.4, 405A.5, 405A.6, 405A.7, 405A.8, 405A.9,
29 405A.10, 422.65, 427A.12, and 427B.19B, Code 2003, are
30 repealed.

31 Sec. 12. UNIFORM REDUCTIONS. The general assembly
32 finds that the provisions of this division of this Act
33 will result in reductions in appropriations that would
34 otherwise be made from the general fund of the state
35 for the fiscal year beginning July 1, 2003, that total
36 \$70,000,000. If the governor vetoes a portion of this
37 division of this Act, the governor shall order uniform
38 reductions in appropriations allotments as provided in
39 section 8.31, in an amount equal to the appropriations
40 that are made as a result of the veto.

41 Sec. 13. EFFECTIVE DATE. The section of this
42 division of this Act that voids the revaluation of
43 machinery, equipment, and computers, being deemed of
44 immediate importance, takes effect upon enactment.

45 DIVISION II
46 PARKING TICKETS

47 Sec. 14. Section 321.236, subsection 1, paragraph
48 a, Code 2003, is amended to read as follows:
49 a. May be charged and collected upon a simple
50 notice of a fine payable to the city clerk or clerk of

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1 the district court, if authorized by ordinance. The
2 fine ~~shall not exceed five dollars except for snow~~

3 ~~route parking violations in which case the fine shall~~
4 ~~not exceed twenty five dollars for each violation~~
5 charged under a simple notice of a fine shall be
6 established by ordinance. The fine may be increased
7 ~~up to ten by five~~ dollars if the parking violation is
8 not paid within thirty days of the date upon which the
9 violation occurred, if authorized by ordinance.
10 Violations of section 321L.4, subsection 2, may be
11 charged and collected upon a simple notice of a one
12 hundred dollar fine payable to the city clerk or clerk
13 of the district court, if authorized by ordinance. No
14 costs or other charges shall be assessed. All fines
15 collected by a city pursuant to this paragraph shall
16 be retained by the city and all fines collected by a
17 county pursuant to this paragraph shall be retained by
18 the county.

19 Sec. 15. Section 805.8A, subsection 1, paragraph
20 a, Code 2003, is amended to read as follows:
21 a. For parking violations under sections 321.236,
22 321.239, 321.358, 321.360, and 321.361, the scheduled
23 fine is five dollars, except if the local authority
24 has established the fine by ordinance pursuant to
25 section 321.236, subsection 1. The scheduled fine for
26 a parking violation ~~of pursuant to section 321.236~~
27 ~~increases in an amount up to ten by five~~ dollars, as
28 authorized by ordinance pursuant to section 321.236,
29 subsection 1, ~~paragraph "a"~~, if the parking violation
30 is not paid within thirty days of the date upon which
31 the violation occurred. For purposes of calculating
32 the unsecured appearance bond required under section
33 805.6, the scheduled fine shall be five dollars, or if
34 the amount of the fine is greater than five dollars,
35 the unsecured appearance bond shall be the amount of
36 the fine established by the local authority pursuant
37 to section 321.236, subsection 1. However, violations
38 charged by a city or county upon simple notice of a
39 fine instead of a uniform citation and complaint as
40 permitted by section 321.236, subsection 1, paragraph
41 "a", are not scheduled violations, and this section
42 shall not apply to any offense charged in that manner.
43 For a parking violation under section 321.362 or
44 461A.38, the scheduled fine is ten dollars.

45 DIVISION III

46 LAW ENFORCEMENT ACADEMY

47 Sec. 16. NEW SECTION. 80B.11E ACADEMY TRAINING –
48 APPLICATION BY INDIVIDUAL – INDIVIDUAL EXPENSE.

49 1. Notwithstanding any other provision of law to
50 the contrary, an individual who is not a certified law

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1 enforcement officer may apply for attendance at the

2 law enforcement academy at their own expense if such
3 individual is sponsored by a law enforcement agency
4 that either intends to hire or has hired the
5 individual as a law enforcement officer on the
6 condition that the individual meets the minimum
7 eligibility standards described in subsection 2.

8 2. An individual who submits an application
9 pursuant to subsection 1 shall, at a minimum, meet all
10 minimum hiring standards as established by academy
11 rules, including the successful completion of certain
12 psychological and physical testing examinations. In
13 addition, such individual shall be of good moral
14 character as determined by a thorough background
15 investigation by the academy for a fee. For such
16 purposes, the academy shall have the authority to
17 conduct a background investigation of the individual,
18 including a fingerprint search of local, state, and
19 national fingerprint files.

20 3. An individual shall not be granted permission
21 to attend an academy training program if such
22 acceptance would result in the nonacceptance of
23 another qualifying applicant who is a law enforcement
24 officer.

25 4. An individual who has not been hired by a law
26 enforcement agency must be hired by a law enforcement
27 agency within eighteen months of completing the
28 appropriate coursework at the law enforcement academy
29 in order to obtain certification pursuant to this
30 section.

31 DIVISION IV

32 BUDGET

33 Sec. 17. Section 331.436, Code 2003, is amended to
34 read as follows:

35 331.436 PROTEST.

36 Protests to the adopted budget must be made in
37 accordance with sections 24.27 through 24.32 as if the
38 county were the municipality under those sections
39 except that the number of people necessary to file a
40 protest under this section shall not be less than one
41 hundred.

42 DIVISION V

43 INDEBTEDNESS REPORTING – COLLECTION OF TAXES

44 Sec. 18. Section 403.23, subsection 1, Code 2003,
45 is amended by striking the subsection and inserting in
46 lieu thereof the following:

47 1. On or before December 1 of each odd-numbered
48 year, each municipality that has established an urban
49 renewal area shall report to the department of
50 management and to the appropriate county auditor the

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1 total amount of loans, advances, indebtedness, or
2 bonds outstanding at the close of the most recently
3 ended fiscal year, which qualify for payment from the
4 special fund created in section 403.19, including
5 interest negotiated on such loans, advances,
6 indebtedness, or bonds. For purposes of this
7 subsection, "indebtedness" includes written agreements
8 whereby the municipality agrees to suspend, abate,
9 exempt, rebate, refund, or reimburse property taxes,
10 or provide a grant for property taxes paid, with
11 moneys in the special fund. The amount of loans,
12 advances, indebtedness, or bonds shall be listed in
13 the aggregate for each municipality reporting.
14 Sec. 19. Section 403.23, subsections 2 and 3, Code
15 2003, are amended to read as follows:
16 2. At the request of the legislative fiscal
17 bureau, the department of management shall provide the
18 reports and additional information to the legislative
19 fiscal bureau. The department of management, in
20 consultation with the legislative fiscal bureau, shall
21 determine reporting criteria and shall prepare a form
22 for reports filed with the department pursuant to this
23 section. The department shall make the form available
24 by electronic means.
25 3. If a municipality does not file the ~~annual~~
26 report with the department of management and the
27 county auditor by December 1 of each odd-numbered
28 year, the county treasurer shall withhold disbursement
29 of incremental taxes to the municipality until the
30 ~~annual~~ report is filed beginning immediately with the
31 next following disbursement of taxes. The county
32 auditor shall notify the county treasurer if taxes are
33 to be withheld.
34 Sec. 20. Section 631.1, Code 2003, is amended by
35 adding the following new subsection:
36 NEW SUBSECTION. 7. The district court sitting in
37 small claims has concurrent jurisdiction of an action
38 for the collection of taxes brought by a county
39 treasurer pursuant to sections 445.3 and 445.4 where
40 the amount in controversy is five thousand dollars or
41 less for actions commenced on or after July 1, 2003,
42 exclusive of interest and costs.
43 DIVISION VI
44 MUNICIPAL AND COUNTY INFRACTIONS
45 Sec. 21. Section 331.302, subsection 15, Code
46 2003, is amended to read as follows:
47 15. A county shall not provide a civil penalty in
48 excess of ~~five~~ seven hundred ~~fifty~~ dollars for the
49 violation of an ordinance which is classified as a
50 county infraction or if the infraction is a repeat

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1 offense, a civil penalty not to exceed ~~seven hundred~~
2 ~~fifty one thousand~~ dollars for each repeat offense. A
3 county infraction is not punishable by imprisonment.

4 Sec. 22. Section 331.307, subsection 1, Code 2003,
5 is amended to read as follows:

6 1. A county infraction is a civil offense
7 punishable by a civil penalty of not more than ~~five~~
8 ~~seven~~ hundred ~~fifty~~ dollars for each violation or if
9 the infraction is a repeat offense a civil penalty not
10 to exceed ~~seven hundred fifty one thousand~~ dollars for
11 each repeat offense.

12 Sec. 23. Section 364.3, subsection 6, Code 2003,
13 is amended to read as follows:

14 6. A city shall not provide a civil penalty in
15 excess of ~~five~~ ~~seven~~ hundred ~~fifty~~ dollars for the
16 violation of an ordinance which is classified as a
17 municipal infraction or if the infraction is a repeat
18 offense, a civil penalty not to exceed ~~seven hundred~~
19 ~~fifty one thousand~~ dollars for each repeat offense. A
20 municipal infraction is not punishable by
21 imprisonment.

22 Sec. 24. Section 364.22, subsection 1, unnumbered
23 paragraph 1, Code 2003, is amended to read as follows:

24 a municipal infraction is a civil offense
25 punishable by a civil penalty of not more than ~~five~~
26 ~~seven~~ hundred ~~fifty~~ dollars for each violation or if
27 the infraction is a repeat offense, a civil penalty
28 not to exceed ~~seven hundred fifty one thousand~~ dollars
29 for each repeat offense. However, notwithstanding
30 section 364.3, a municipal infraction arising from
31 noncompliance with a pretreatment standard or
32 requirement, referred to in 40 C.F.R. } 403.8, by an
33 industrial user may be punishable by a civil penalty
34 of not more than one thousand dollars for each day a
35 violation exists or continues.

36 DIVISION VII

37 TRANSACTION FEE

38 Sec. 25. NEW SECTION. 331.605C ELECTRONIC
39 TRANSACTION FEE – AUDIT.

40 1. For the fiscal year beginning July 1, 2003, and
41 ending June 30, 2004, the recorder shall collect a fee
42 of five dollars for each recorded transaction for
43 which a fee is paid pursuant to section 331.604 to be
44 used for the purposes of planning and implementing
45 electronic recording and electronic transactions in
46 each county and developing county and statewide
47 internet websites to provide electronic access to
48 records and information.

49 2. Beginning July 1, 2004, the recorder shall
50 collect a fee of one dollar for each recorded

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1 transaction for which a fee is paid pursuant to
2 section 331.604 to be used for the purpose of paying
3 the county's ongoing costs of maintaining the systems
4 developed and implemented under subsection 1.

5 3. The county treasurer, on behalf of the
6 recorder, shall establish and maintain an interest-
7 bearing account into which all moneys collected
8 pursuant to subsections 1 and 2 shall be deposited.

9 4. The state government electronic transaction
10 fund is established in the office of the treasurer of
11 state under the control of the treasurer of state.
12 Moneys deposited into the fund are not subject to
13 section 8.33. Notwithstanding section 12C.7, interest
14 or earnings on moneys in the state government
15 electronic transaction fund shall be credited to the
16 fund. Moneys in the state government electronic
17 transaction fund are not subject to transfer,
18 appropriation, or reversion to any other fund, or any
19 other use except as provided in this subsection. The
20 treasurer of state shall enter into a contract with
21 the Iowa state association of counties affiliate
22 representing county recorders to develop, implement,
23 and maintain a statewide internet website for purposes
24 of providing electronic access to records and
25 information recorded or filed by county recorders. On
26 a monthly basis, the county treasurer shall pay one
27 dollar of each fee collected pursuant to subsection 1
28 to the treasurer of state for deposit into the state
29 government electronic transaction fund. Moneys
30 credited to the state government electronic
31 transaction fund are appropriated to the treasurer of
32 state to be used for contract costs. This subsection
33 is repealed June 30, 2004.

34 5. The pooled local government electronic
35 transaction fund is established in the office of the
36 treasurer of state under control of the treasurer of
37 state. Moneys deposited into the fund are not subject
38 to section 8.33. Notwithstanding section 12C.7,
39 interest or earnings on moneys in the pooled local
40 government electronic transaction fund shall be
41 credited to the fund. Moneys in the fund are not
42 subject to transfer, appropriation, or reversion to
43 any other fund, or any other use except as provided in
44 this subsection. On a quarterly basis, the county
45 treasurer shall pay four dollars of each fee collected
46 pursuant to subsection 1 and all fees collected
47 pursuant to subsection 2, to the treasurer of state
48 for deposit into the pooled local government
49 electronic transaction fund. Moneys credited to the
50 pooled local government electronic transaction fund

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1 are appropriated to the treasurer of state to be
2 distributed equally to all counties and paid to the
3 county treasurers of each county within thirty days
4 after the moneys are received by the treasurer of
5 state. Moneys received by a county treasurer pursuant
6 to this subsection shall be deposited into the account
7 established and maintained by the county treasurer on
8 behalf of the county recorder under subsection 3, and
9 shall be used by the county recorder for the purposes
10 set forth in subsections 1 and 2.

11 6. The recorder shall make available any
12 information required by the county auditor or auditor
13 of state concerning the fees collected under this
14 section for the purposes of determining the amount of
15 fees collected and the uses for which such fees are
16 expended.

17 DIVISION VIII

18 LOCAL GOVERNMENT LEASES

19 Sec. 26. Section 346.27, Code 2003, is amended by
20 adding the following new subsection:

21 NEW SUBSECTION. 26. Any incorporating unit may
22 enter into a lease with an authority that the
23 authority and the incorporating unit determine is
24 necessary and convenient to effectuate their purposes
25 and the purposes of this section. The power to enter
26 into leases under this section is in addition to other
27 powers granted to cities and counties to enter into
28 leases and the provisions of chapter 75, section
29 364.4, subsection 4, and section 331.301, subsection
30 10, are not applicable to leases entered into under
31 this section.

32 DIVISION IX

33 LOCAL GOVERNMENT INNOVATION FUND

34 Sec. 27. NEW SECTION. 8.64 LOCAL GOVERNMENT
35 INNOVATION FUND – COMMITTEE – LOANS.

36 1. The local government innovation fund is created
37 in the state treasury under the control of the
38 department of management for the purpose of
39 stimulating and encouraging innovation in local
40 government by the awarding of loans to cities and
41 counties.

42 2. The director of the department of management
43 shall establish a seven-member committee to be called
44 the local government innovation fund committee.
45 Committee members shall have expertise in local
46 government. The committee shall review all requests
47 for funds and approve loans of funds if the committee
48 determines that a city or county project that is the
49 subject of a request would result in cost savings,
50 innovative approaches to service delivery, or added

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1 revenue to the city, county, or state. Eligible
2 projects are projects which cannot be funded from a
3 city's or county's operating budget without adversely
4 affecting the city's or county's normal service
5 levels. Preference shall be given to requests
6 involving the sharing of services between two or more
7 local governments. Projects may include, but are not
8 limited to, purchase of advanced technology,
9 contracting for expert services, and acquisition of
10 equipment or supplies.

11 3. A city or county seeking a loan from the local
12 government innovation fund shall complete an
13 application form designed by the local government
14 innovation fund committee which employs a return on
15 investment concept and demonstrates how the project
16 funded by the loan will result in reduced city,
17 county, or state general fund expenditures or how city
18 or county fund revenues will increase without an
19 increase in state costs. Minimum loan requirements
20 for city or county requests shall be determined by the
21 committee.

22 4. a. In order for the local government
23 innovation fund to be self-supporting, the local
24 government innovation fund committee shall establish
25 repayment schedules for each loan awarded. The loan
26 requirements shall be outlined in a chapter 28E
27 agreement executed between the state and the city or
28 county receiving the loan. A city or county shall
29 repay the loan over a period not to exceed five years,
30 with interest, at a rate to be determined by the local
31 government innovation fund committee.

32 b. The local government innovation fund committee
33 shall utilize the department of management, the
34 department of revenue and finance, or other source of
35 technical expertise designated by the committee to
36 certify savings projected for a local government
37 innovation fund project.

38 5. Notwithstanding section 12C.7, subsection 2,
39 interest or earnings on moneys deposited in the local
40 government innovation fund shall be credited to the
41 local government innovation fund. Notwithstanding
42 section 8.33, moneys appropriated to and moneys
43 remaining in the local government innovation fund at
44 the end of a fiscal year shall not revert to the
45 general fund of the state.

46 Sec. 28. LOCAL GOVERNMENT INNOVATION FUND
47 APPROPRIATION. There is appropriated from the general
48 fund of the state to the department of management for
49 the fiscal year beginning July 1, 2003, and ending
50 June 30, 2004, the following amount, or so much

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1 thereof as is necessary, to be used for the purpose
2 designated:
3 For deposit in the local government innovation fund
4 created in section 8.64:

5 \$ 10,000,000

6 Notwithstanding section 8.64, subsection 4, as
7 enacted by this division of this Act, the local
8 government innovation fund committee may provide up to
9 20 percent of the amount appropriated in this section
10 in the form of forgivable loans or as grants for those
11 projects that propose a new and innovative sharing
12 initiative that would serve as an important model for
13 cities and counties.

14 DIVISION X
15 STUDY OF CITY AND COUNTY REGULATION BY THE
16 DEPARTMENT OF NATURAL RESOURCES

17 Sec. 29. STUDY. The legislative council shall
18 establish a study committee for the 2003 interim to
19 review the department of natural resources'
20 enforcement and penalty policies relating to
21 regulation of cities and counties. The study
22 committee shall review options for changing the
23 department's approach to enforcement from reliance on
24 punitive measures to a collaborative approach. In
25 addition, the amounts of fines shall be reviewed along
26 with the possibility of designating a portion of a
27 fine to be applied against the costs of compliance
28 with the departmental regulation.

29 DIVISION XI
30 CHARGE FOR CAPITAL ASSETS

31 Sec. 30. CHARGE FOR CAPITAL ASSETS. For the
32 fiscal year beginning July 1, 2003, and ending June
33 30, 2004, the department of management shall levy a
34 charge against departments and establishments, as
35 defined in section 8.2, for indirect costs associated
36 with state ownership of land, buildings, equipment, or
37 other capital assets controlled by a department or
38 establishment. The charges shall not be levied
39 against capital assets that are subject to charges
40 levied by the department of administrative services,
41 if the department is established by law, or against
42 capital assets controlled by the state board of
43 regents. Moneys received as a result of charges made
44 under this section shall be transferred to the fund
45 from which the moneys were originally appropriated.
46 The total amount of charges levied under this section
47 that are associated with appropriations made from the
48 general fund of the state for the fiscal year shall
49 not exceed \$1,720,000.

50 Sec. 31. CHARGE FOR CAPITAL – APPROPRIATIONS

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1 REDUCTION – STATE BOARD OF REGENTS – STUDY.

2 1. In lieu of applying a charge for capital assets
3 to the institutions under the control of the state
4 board of regents as otherwise provided in this
5 division for executive branch agencies, the
6 appropriations made from the general fund of the state
7 to the state board of regents for the general
8 university operating budgets at the state university
9 of Iowa, Iowa state university of science and
10 technology, and university of northern Iowa, in 2003
11 Iowa Acts, [House File 662](#), section 9, subsections 2,
12 3, and 4, are reduced by \$17,880,000. The state board
13 of regents shall apply the reduction as follows:
14 state university of Iowa, 46.7 percent, Iowa state
15 university of science and technology, 36.8 percent,
16 and university of northern Iowa, 16.5 percent.

17 2. The legislative council shall authorize a study
18 for the 2003 legislative interim on the policy option
19 of levying charges for capital assets against all
20 state agencies, including the state board of regents.
21 The study recommendations and findings shall include
22 but are not limited to identification of the capital
23 assets that should be subject to charges and how
24 capital assets funded by sources other than state
25 funding should be charged. The study report,
26 including findings and recommendations, shall be
27 submitted to the general assembly for consideration
28 during the 2004 legislative session. The study shall
29 be conducted by a study committee consisting of the
30 following: one member designated by the state board
31 of regents, one member representing the department of
32 management designated by the department's director,
33 one member representing the state department of
34 transportation appointed by the department's director,
35 one member representing the judicial branch appointed
36 by the chief justice of the supreme court, one member
37 who is a member of the general assembly jointly
38 appointed by the majority leader of the senate and the
39 speaker of the house of representatives, and one
40 member who is a member of the general assembly jointly
41 appointed by the minority leader of the senate and the
42 minority leader of the house of representatives. A
43 chairperson or cochairpersons shall be designated by
44 the legislative council.

45 DIVISION XII

46 CHARTER AGENCIES

47 Sec. 32. NEW SECTION. 7J.1 CHARTER AGENCIES.

48 1. DESIGNATION OF CHARTER AGENCIES – PURPOSE.
49 The governor may, by executive order, designate up to
50 five state departments or agencies, as described in

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1 section 7E.5, other than the department of
2 administrative services, if the department is
3 established in law, or the department of management,
4 as a charter agency by July 1, 2003. The designation
5 of a charter agency shall be for a period of five
6 years which shall terminate as of June 30, 2008. The
7 purpose of designating a charter agency is to grant
8 the agency additional authority as provided by this
9 chapter while reducing the total appropriations to the
10 agency.

11 2. CHARTER AGENCY DIRECTORS.

12 a. Prior to each fiscal year, or as soon
13 thereafter as possible, the governor and each director
14 of a designated charter agency shall enter into an
15 annual performance agreement which shall set forth
16 measurable organization and individual goals for the
17 director in key operational areas of the director's
18 agency. The annual performance agreement shall be
19 made public and a copy of the agreement shall be
20 submitted to the general assembly.

21 b. In addition to the authority granted the
22 governor as to the appointment and removal of a
23 director of an agency that is a charter agency, the
24 governor may remove a director of a charter agency for
25 misconduct or for failure to achieve the performance
26 goals set forth in the annual performance agreement.

27 c. Notwithstanding any provision of law to the
28 contrary, the governor may set the salary of a
29 director of a charter agency under the pay plan for
30 exempt positions in the executive branch of
31 government. In addition, the governor may authorize
32 the payment of a bonus to a director of a charter
33 agency in an amount not in excess of fifty percent of
34 the director's annual rate of pay, based upon the
35 governor's evaluation of the director's performance in
36 relation to the goals set forth in the annual
37 performance agreement.

38 d. A director of a charter agency may authorize
39 the payment of bonuses to employees of the charter
40 agency in a total amount not in excess of fifty
41 percent of the director's annual rate of pay, based
42 upon the director's evaluation of the employees'
43 performance.

44 3. APPROPRIATIONS AND ASSET MANAGEMENT.

45 a. It is the intent of the general assembly that
46 appropriations to a charter agency for any fiscal year
47 shall be reduced, with a target reduction of ten
48 percent for each charter agency, from the
49 appropriation that would otherwise have been enacted
50 for that charter agency.

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1 b. Notwithstanding any provision of law to the
2 contrary, proceeds from the sale or lease of capital
3 assets that are under the control of a charter agency
4 shall be retained by the charter agency and used for
5 such purposes within the scope of the responsibilities
6 of the charter agency.

7 c. Notwithstanding section 8.33, one-half of all
8 unencumbered or unobligated balances of appropriations
9 made for each fiscal year of that fiscal period to the
10 charter agency shall not revert to the state treasury
11 or to the credit of the funds from which the
12 appropriations were made.

13 d. For the fiscal period beginning July 1, 2003,
14 and ending June 30, 2005, a charter agency is not
15 subject to a uniform reduction ordered by the governor
16 in accordance with section 8.31.

17 4. PERSONNEL MANAGEMENT.

18 a. Notwithstanding any provision of law to the
19 contrary, a charter agency shall not be subject to any
20 limitation relating to the number of or pay grade
21 assigned to its employees, including any limitation on
22 the number of full-time equivalent positions as
23 defined by section 8.36A.

24 b. A charter agency may waive any personnel rule
25 and may exercise the authority granted to the
26 department of personnel, or its successor, relating to
27 personnel management concerning employees of the
28 charter agency, subject to any restrictions on such
29 authority as to employees of the charter agency
30 covered by a collective bargaining agreement. The
31 exclusive representative of employees of a charter
32 agency may enter into agreements with the charter
33 agency to grant the charter agency the authority
34 described in this paragraph. A waiver of a rule
35 pursuant to this subsection shall be indexed, filed,
36 and made available for public inspection in the same
37 manner as provided in section 17A.9A, subsection 4.
38 5. PROCUREMENT AND GENERAL SERVICES. A charter
39 agency may waive any administrative rule regarding
40 procurement, fleet management, printing and copying,
41 or maintenance of buildings and grounds, and may
42 exercise the authority of the department of general
43 services, or its successor, as it relates to the
44 physical resources of the state. A waiver of a rule
45 pursuant to this subsection shall be indexed, filed,
46 and made available for public inspection in the same
47 manner as provided in section 17A.9A, subsection 4.

48 6. INFORMATION TECHNOLOGY. A charter agency may
49 waive any administrative rule regarding the
50 acquisition and use of information technology and may

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1 exercise the powers of the information technology
2 department, or its successor, as it relates to
3 information technology. A waiver of a rule pursuant
4 to this subsection shall be indexed, filed, and made
5 available for public inspection in the same manner as
6 provided in section 17A.9A, subsection 4.

7 7. RULE FLEXIBILITY.

8 a. A charter agency may temporarily waive or
9 suspend the provisions of any administrative rule if
10 strict compliance with the rule impacts the ability of
11 the charter agency requesting the waiver or suspension
12 to perform its duties in a more cost-efficient manner
13 and the requirements of this subsection are met.

14 b. The procedure for granting a temporary waiver
15 or suspension of any administrative rule shall be as
16 follows:

17 (1) The charter agency may waive or suspend a rule
18 if the agency finds, based on clear and convincing
19 evidence, all of the following:

20 (a) The application of the rule poses an undue
21 financial hardship on the applicable charter agency.

22 (b) The waiver or suspension from the requirements
23 of a rule in the specific case would not prejudice the
24 substantial legal rights of any person.

25 (c) Substantially equal protection of public
26 health, safety, and welfare will be afforded by a
27 means other than that prescribed in the particular
28 rule for which the waiver or suspension is requested.

29 (d) The waiver or suspension would not result in a
30 violation of due process, a violation of state or
31 federal law, or a violation of the state or federal
32 constitution.

33 (2) If a charter agency proposes to grant a waiver
34 or suspension, the charter agency shall draft the
35 waiver or suspension so as to provide the narrowest
36 exception possible to the provisions of the rule and
37 may place any condition on the waiver or suspension
38 that the charter agency finds desirable to protect the
39 public health, safety, and welfare. The charter
40 agency shall then submit the waiver or suspension to
41 the administrative rules review committee for
42 consideration at the committee's next scheduled
43 meeting.

44 (3) The administrative rules review committee
45 shall review the proposed waiver or suspension at the
46 committee's next scheduled meeting following
47 submission of the proposal and may either take no
48 action or affirmatively approve the waiver or
49 suspension, or delay the effective date of the waiver
50 or suspension in the same manner as for rules as

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1 provided in section 17A.4, subsection 5, and section
2 17A.8, subsection 9. If the administrative rules
3 review committee either approves or takes no action
4 concerning the proposed waiver or suspension, the
5 waiver or suspension may become effective no earlier
6 than the day following the meeting. If the
7 administrative rules review committee delays the
8 effective date of the waiver or suspension but no
9 further action is taken to rescind the waiver or
10 suspension, the proposed waiver or suspension may
11 become effective no earlier than upon the conclusion
12 of the delay. The administrative rules review
13 committee shall notify the applicable charter agency
14 of its action concerning the proposed waiver or
15 suspension.

16 (4) Copies of the grant or denial of a waiver or
17 suspension under this subsection shall be filed and
18 made available to the public by the applicable charter
19 agency.

20 c. A waiver or suspension granted pursuant to this
21 subsection shall be for a period of time not to exceed
22 twelve months or until June 30, 2008, whichever first
23 occurs, and as determined by the applicable charter
24 agency. A renewal of a temporary waiver or suspension
25 granted pursuant to this section shall be granted or
26 denied in the same manner as the initial waiver or
27 suspension.

28 8. REPORTING REQUIREMENTS.

29 a. Each charter agency shall submit a written
30 report to the general assembly by December 31 of each
31 year summarizing the activities of the charter agency
32 for the preceding fiscal year. The report shall
33 include information concerning the expenditures of the
34 agency and the number of filled full-time equivalent
35 positions during the preceding fiscal year. The
36 report shall include information relating to the
37 actions taken by the agency pursuant to the authority
38 granted by this section.

39 b. By January 15, 2008, the governor shall submit
40 a written report to the general assembly on the
41 operation and effectiveness of this chapter and the
42 costs and savings associated with the implementation
43 of this chapter. The report shall include any
44 recommendations about extending the chapter's
45 effectiveness beyond June 30, 2008.

46 9. DEPARTMENT OF MANAGEMENT REVIEW. Each proposed
47 waiver or suspension of an administrative rule as
48 authorized by this section shall be submitted to the
49 department of management for review prior to the
50 waiver or suspension becoming effective. The director

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1 of the department of management may disapprove the
2 waiver or suspension if, based on clear and convincing
3 evidence, the director determines that the suspension
4 or waiver would result in an adverse financial impact
5 on the state.

6 Sec. 33. NEW SECTION. 7J.2 CHARTER AGENCY LOAN
7 FUND.

8 1. A charter agency loan fund is created in the
9 state treasury under the control of the department of
10 management for the purpose of providing funding to
11 support innovation by those state agencies designated
12 as charter agencies in accordance with section 7J.1.
13 Innovation purposes shall include but are not limited
14 to training, development of outcome measurement
15 systems, management system modifications, and other
16 modifications associated with transition of operations
17 to charter agency status. Moneys in the fund are
18 appropriated to the department of management for the
19 purposes described in this subsection.

20 2. A charter agency requesting a loan from the
21 fund shall complete an application process designated
22 by the director of the department of management.
23 Minimum loan requirements for charter agency requests
24 shall be determined by the director.

25 3. In order for the fund to be self-supporting,
26 the director of the department of management shall
27 establish repayment schedules for each loan awarded.
28 An agency shall repay the loan over a period not to
29 exceed five years with interest, at a rate to be
30 determined by the director.

31 4. Notwithstanding section 12C.7, subsection 2,
32 interest or earnings on moneys deposited in the
33 charter agency loan fund shall be credited to the
34 charter agency loan fund. Notwithstanding section
35 8.33, moneys credited to the charter agency loan fund
36 shall not revert to the fund from which appropriated
37 at the close of a fiscal year.

38 Sec. 34. NEW SECTION. 7J.3 REPEAL. This chapter
39 is repealed June 30, 2008.

40 Sec. 35. CHARTER AGENCY APPROPRIATIONS.

41 1. Notwithstanding any provision of law to the
42 contrary, the total appropriations from the general
43 fund of the state to those departments and agencies
44 designated as charter agencies for the fiscal year
45 beginning July 1, 2003, and ending June 30, 2004, as
46 provided by the appropriation to those agencies as
47 enacted by the Eightieth General Assembly, 2003
48 Regular Session, shall be reduced by \$15,000,000. The
49 department of management shall apply the appropriation
50 reductions, with a target of a 10 percent reduction

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1 for each charter agency, as necessary to achieve the
2 overall reduction amount and shall make this
3 information available to the legislative fiscal
4 committee and the legislative fiscal bureau. It is
5 the intent of the general assembly that appropriations
6 to a charter agency in subsequent fiscal years shall
7 be similarly adjusted from the appropriation that
8 would otherwise have been enacted.

9 2. There is appropriated from the general fund of
10 the state to the department of management for the
11 fiscal year beginning July 1, 2003, and ending June
12 30, 2004, the following amount, or so much thereof as
13 is necessary, to be used for the purposes designated:
14 For deposit in the charter agency loan fund created
15 in section 7J.2:

16 \$ 3,000,000

17 3. For the fiscal year beginning July 1, 2003, and
18 ending June 30, 2004, if the actual amount of revenue
19 received by a charter agency exceeds the revenue
20 amount budgeted for that charter agency by the
21 governor and the general assembly, the charter agency
22 may consider the excess amount to be repayment
23 receipts as defined in section 8.2.

24 Sec. 36. EFFECTIVE DATE. This division of this
25 Act, being deemed of immediate importance, takes
26 effect upon enactment.

27 DIVISION XIII

28 HEALTH INSURANCE INCENTIVE

29 Sec. 37. STATE EMPLOYEE HEALTH INSURANCE COSTS –
30 INCENTIVE PROGRAM. The department of personnel, or
31 its successor, may establish, with the approval of the
32 executive council, an incentive program for state
33 employees to encourage the reduction of health
34 insurance costs for the fiscal year beginning July 1,
35 2003. If established, the incentive program shall
36 provide that an amount equal to one-half of any
37 savings realized through implementation of the program
38 shall be distributed to applicable insured state
39 employees in a manner established by the incentive
40 program. The department shall provide the legislative
41 government oversight committee with a copy of the
42 proposed incentive program submitted to the executive
43 council for approval. The department shall also
44 submit a written update to the legislative government
45 oversight committee by December 31, 2003, concerning
46 its progress in implementing an incentive program.

47 DIVISION XIV

48 AREA EDUCATION AGENCIES

49 Sec. 38. AREA EDUCATION AGENCY SERVICE DELIVERY
50 TASK FORCE.

Page 19

1 1. The department of education shall establish a
2 task force to study the delivery of media services,
3 educational services, and special education support
4 services by the area education agencies. The task
5 force shall study issues including, but not limited
6 to, all of the following:
7 a. The potentiality of a fee for services, such as
8 cooperative purchasing.
9 b. The potential effects of allowing school
10 districts to petition to join a noncontiguous area
11 education agency.
12 c. Opportunities for area education agencies to
13 collaborate with community colleges and other higher
14 education institutions, local libraries, and other
15 community providers.
16 d. Special education delivery by area education
17 agencies and school districts, including the state's
18 success in serving students identified as level I.
19 This portion of the study shall also include a review
20 of identification of students as level I; remediation,
21 the success of preventative programs, including but
22 not limited to, the early intervention block grant
23 program; intensive instruction and tutoring; and
24 appropriate reading instruction methodologies.
25 e. Reduction of special education funding
26 deficits, including a review of the use of state and
27 federal funds for special education and related
28 preventative programs.
29 2. The task force membership shall include all of
30 the following:
31 a. The director of the department of education or
32 the director's designee.
33 b. An area education agency administrator.
34 c. A person representing the interests of special
35 education students.
36 d. A superintendent of a district with an
37 enrollment of more than six hundred students.
38 e. A superintendent of a district with an
39 enrollment of six hundred or fewer students.
40 f. A person from the private sector with
41 experience in developing plans for cost savings.
42 g. A person who is a private provider of special
43 education services.
44 h. An administrator of an accredited nonpublic
45 school.
46 i. Ten members of the general assembly, including
47 five senators appointed by the president of the senate
48 after consultation with the majority and minority
49 leaders of the senate, and five representatives
50 appointed by the speaker of the house of

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1 representatives after consultation with the majority
2 and minority leaders of the house of representatives.

3 3. The department shall submit its findings and
4 recommendations in a report to the chairpersons and
5 ranking members of the senate and house standing
6 committees on education and the joint appropriations
7 subcommittee on education by December 15, 2003.

8 Sec. 39. SPECIAL EDUCATION SUPPORT SERVICES
9 BALANCE REDUCTION.

10 1. For the fiscal year beginning July 1, 2003, and
11 ending June 30, 2004, area education agency special
12 education support services fund balances shall be
13 reduced, with each area education agency remitting to
14 the state the following designated amount:

15 a. Area Education Agency 1	\$ 517,120
16 b. Area Education Agency 4	\$ 221,604
17 c. Area Education Agencies 3 and 5, and their 18 successor area education agency	\$ 995,807
19 d. Area Education Agencies 2, 6, 7, and their 20 successor area education agency	\$ 913,710
21 e. Area Education Agency 9	\$ 468,138
22 f. Area Education Agency 10	\$ 964,357
23 g. Area Education Agency 11	\$ 3,620,018
24 h. Area Education Agency 12	\$ 512,949
25 i. Area Education Agency 13	\$ 666,285
26 j. Area Education Agency 14	\$ 405,065
27 k. Area Education Agency 15	\$ 413,282
28 l. Area Education Agency 16	\$ 301,664

29 2. Notwithstanding the provisions of section
30 257.37, an area education agency may use the funds
31 determined to be available under section 257.35 in a
32 manner which it believes is appropriate to best
33 maintain the level of required area education agency
34 special education services. An area education agency
35 may also use unreserved fund balances for media
36 services or education services in a manner which it
37 believes is appropriate to best maintain the level of
38 required area education agency special education
39 services.

40 Sec. 40. Section 257.35, subsection 2, Code 2003,
41 is amended to read as follows:

42 2. Notwithstanding subsection 1, the state aid for
43 area education agencies and the portion of the
44 combined district cost calculated for these agencies
45 for ~~each the fiscal year of the fiscal period~~
46 ~~beginning July 1, 2002, and ending June 30, 2004~~
47 beginning July 1, 2002, and each succeeding fiscal
48 year, shall be reduced by the department of management
49 by seven million five hundred thousand dollars. The
50 reduction for each area education agency shall be

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1 equal to the reduction that the agency received in the
2 fiscal year beginning July 1, 2001.
3 Sec. 41. Section 257.35, Code 2003, is amended by
4 adding the following new subsection:
5 NEW SUBSECTION. 3. Notwithstanding subsection 1,
6 and in addition to the reduction applicable pursuant
7 to subsection 2, the state aid for area education
8 agencies and the portion of the combined district cost
9 calculated for these agencies for the fiscal year
10 beginning July 1, 2003, and ending June 30, 2004,
11 shall be reduced by the department of management by
12 ten million dollars. The department shall calculate a
13 reduction such that each area education agency shall
14 receive a reduction proportionate to the amount that
15 it would otherwise have received under this section if
16 the reduction imposed pursuant to this subsection did
17 not apply.

18 Sec. 42. Section 257.37, subsection 6, Code 2003,
19 is amended to read as follows:
20 6. For the budget ~~years~~ year beginning July 1,
21 2002, and ~~July 1, 2003~~ each succeeding budget year,
22 notwithstanding the requirements of this section for
23 determining the budgets and funding of media services
24 and education services, an area education agency may,
25 within the limits of the total of the funds provided
26 for the budget years pursuant to section 257.35,
27 expend for special education support services an
28 amount that exceeds the payment for special education
29 support services pursuant to section 257.35 in order
30 to maintain the level of required special education
31 support services in the area education agency.

32 Sec. 43. EFFECTIVE DATE. This division of this
33 Act, being deemed of immediate importance, takes
34 effect upon enactment.

35 DIVISION XV

36 CHILD WELFARE SERVICES

37 Sec. 44. CHILD WELFARE SERVICES SYSTEM REDESIGN.

38 1. PURPOSE. The department of human services
39 shall initiate a process for improving the outcomes
40 for families in this state who become involved with
41 the state system for child welfare and juvenile
42 justice by implementing a system redesign to
43 transition to an outcomes-based system for children
44 identified in this section. The outcomes-based system
45 shall be organized based upon the federal and state
46 child welfare outcomes and expectations and shall
47 address the following purposes for the children and
48 families involved with the state system:

49 a. Safety.

50 (1) Children are, first and foremost, protected

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1 from abuse and neglect.
2 (2) Children are safely maintained in the
3 children's homes with family, whenever possible.
4 b. Permanency.
5 (1) Children have permanency and stability in the
6 children's living situations.
7 (2) The continuity of children's family
8 relationships and community connections is preserved.
9 c. Child and family well-being.
10 (1) Family capacity to provide for the needs of
11 the children who are part of the family is enhanced.
12 (2) Children receive appropriate services to meet
13 the children's educational needs.
14 (3) Children receive additional services that are
15 appropriate to meet the children's physical and mental
16 health needs.
17 (4) Youth who are becoming adults and leaving the
18 service system for children will receive appropriate
19 services to make the transition to become self-
20 sufficient and contributing members of the community.
21 d. Public safety. Communities are protected from
22 juvenile crime.
23 e. Accountability. Communities are made whole
24 through completion of community service activities
25 assigned to juvenile offenders.
26 f. Rehabilitation. Youth receive appropriate
27 services and make measurable progress toward acquiring
28 the skills that are essential to law-abiding,
29 productive citizens.
30 2. CHILDREN INVOLVED. The service system redesign
31 shall address the needs of children who are referred
32 to the department of human services or juvenile court
33 services, including but not limited to all of the
34 following:
35 a. Children adjudicated as a child in need of
36 assistance under chapter 232.
37 b. Children adjudicated delinquent under chapter
38 232 or alleged to have committed a delinquent act and
39 identified in a police report or other formal
40 complaint received by juvenile court services.
41 c. Children subject to emergency removal under
42 chapter 232 or placed for emergency care under section
43 232.20 or 232.21.
44 d. Children identified through a child abuse
45 assessment conducted in accordance with section
46 232.71B as being at risk of harm from maltreatment due
47 to child abuse.
48 3. DESIGN PRINCIPLES. The service system redesign
49 shall incorporate all of the following design
50 principles:

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- 1 a. Outcomes can be achieved in the most efficient
- 2 and cost-effective manner possible.
- 3 b. The roles of public and private child welfare
- 4 staff and the state institutions in the redesigned
- 5 system's delivery model are clarified.
- 6 c. The financing structure maximizes state and
- 7 federal funding with as much flexibility as possible
- 8 and directs funds to services and other support based
- 9 upon the needs of children and families.
- 10 d. The methodology for purchasing performance
- 11 outcomes includes definitions of performance
- 12 expectations, reimbursement provisions, financial
- 13 incentives, provider flexibility provisions, and
- 14 viable protection provisions for children, the state,
- 15 and providers.
- 16 e. The regulatory and contract monitoring
- 17 approaches are designed to assure effective oversight
- 18 and quality and to address federal program and budget
- 19 accountability expectations, with appropriate
- 20 recognition of the need to balance the impact upon
- 21 service providers.
- 22 f. The administrative aspects address system
- 23 planning and support, data collection, management
- 24 information systems, training, policy development, and
- 25 budgeting.
- 26 4. DESIGN CONSIDERATIONS. The service system
- 27 redesign shall address all of the following design
- 28 considerations:
- 29 a. Successful outcome and performance-based system
- 30 changes made in other states and communities are
- 31 incorporated.
- 32 b. Linkages are made with the existing community
- 33 planning efforts and partnerships are promoted with
- 34 parents, the courts, the department, and service
- 35 providers. The redesign shall build upon successful
- 36 Iowa programs such as community partnerships for
- 37 protecting children, child welfare funding
- 38 decategorization projects, and quality service
- 39 reviews.
- 40 c. Federal program and budget accountability
- 41 expectations are addressed.
- 42 d. Linkages with other critical service systems
- 43 are effectively incorporated, including but not
- 44 limited to the systems for mental health, domestic
- 45 abuse, and substance abuse services, and the judicial
- 46 branch.
- 47 e. Options are considered for implementation of an
- 48 acuity-based, case rate system that offers bonuses or
- 49 other incentives for providers that achieve identified
- 50 results and for providers that are able to develop

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1 strategic and collaborative relationships with other
2 providers.
3 f. Policy options are developed to address the
4 needs of difficult-to-treat children, such as no-
5 eject, no-reject time periods.
6 g. Implementation of evidence-based and continuous
7 learning practices are promoted in the public and
8 private sectors in order to measure and improve
9 outcomes.
10 5. REDESIGN PLANNING PROCESS. The department of
11 human services shall implement an inclusive process
12 for the service system redesign utilizing a
13 stakeholder panel to involve a broad spectrum of input
14 into the redesign planning, design, implementation,
15 and evaluation process. The stakeholder panel
16 membership may include but is not limited to
17 representation from all of the following:
18 a. Service consumers.
19 b. Judicial branch and justice system.
20 c. Service providers.
21 d. Community-based collaboration efforts such as
22 child welfare decategorization projects and community
23 partnership for child protection projects.
24 e. Foster and adoptive parents.
25 f. Advocacy groups.
26 g. Departmental staff.
27 h. Education and special education practitioners.
28 i. Others.
29 6. LEGISLATIVE MONITORING. A six-member
30 legislative committee is established to monitor the
31 service system redesign planning and implementation.
32 The members shall be appointed as follows: two
33 members by the senate majority leader, one member by
34 the senate minority leader, two members by the speaker
35 of the house of representatives, and one member by the
36 minority leader of the house of representatives. The
37 committee shall provide advice and consultation to the
38 department and consider any legislative changes that
39 may be needed for implementation.
40 7. IMPLEMENTATION. The following implementation
41 provisions apply to the service system redesign:
42 a. Implementation of the redesign plan shall begin
43 no later than January 1, 2004.
44 b. The department of human services may adopt
45 emergency rules under section 17A.4, subsection 2, and
46 section 17A.5, subsection 2, paragraph "b", to
47 implement the provisions of this section and the rules
48 shall be effective immediately upon filing or on a
49 later date specified in the rules, unless the
50 effective date is delayed by the administrative rules

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1 review committee. Any rules adopted in accordance
2 with this paragraph shall not take effect before the
3 rules are reviewed by the administrative rules review
4 committee. The delay authority provided to the
5 administrative rules review committee under section
6 17A.4, subsection 5, and section 17A.8, subsection 9,
7 shall be applicable to a delay imposed under this
8 paragraph, notwithstanding a provision in those
9 sections making them inapplicable to section 17A.5,
10 subsection 2, paragraph "b". Any rules adopted in
11 accordance with this paragraph shall also be published
12 as a notice of intended action as provided in section
13 17A.4.

14 c. The director of human services shall seek any
15 federal waiver or federal plan amendment relating to
16 funding provided under Title IV-B, IV-E, or XIX of the
17 federal Social Security Act necessary to implement the
18 service system redesign.

19 8. STATUTORY REQUIREMENTS. The requirements of
20 sections 18.6 and 72.3 and the administrative rules
21 implementing section 8.47 are not applicable to the
22 services procurement process used to implement the
23 outcomes-based service system redesign in accordance
24 with this section. The department of human services
25 may enter into competitive negotiations and proposal
26 modifications with each successful contractor as
27 necessary to implement the provisions of this section.

28 9. APPROPRIATIONS REDUCTION. The appropriations
29 made from the general fund of the state to the
30 department of human services for the fiscal year
31 beginning July 1, 2003, and ending June 30, 2004, in
32 2003 Iowa Acts, [House File 667](#), if enacted, for
33 services, staffing, and support related to the service
34 system redesign are reduced by \$10,000,000. The
35 governor shall apply the appropriations reductions on
36 or before January 1, 2004, following consultation with
37 the director of human services, the council on human
38 services, and the legislative monitoring committee
39 established pursuant to this section. The
40 appropriations subject to reduction shall include but
41 are not limited to the appropriations made for child
42 and family services, field operations, medical
43 assistance program, and general administration. The
44 appropriations reductions applied by the governor
45 shall be reported to the general assembly on the date
46 the reductions are applied. If the judicial branch
47 reports a revision to the judicial branch budget for
48 juvenile court services making a reduction as a result
49 of the service system redesign, the amount of the
50 reductions applied by the governor shall be reduced by

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1 the same amount.
2 Sec. 45. CHILD WELFARE SYSTEM REDESIGN. There is
3 appropriated from the general fund of the state to the
4 department of human services for the fiscal year
5 beginning July 1, 2003, and ending June 30, 2004, the
6 following amounts, or so much thereof as is necessary,
7 to be used for the purposes designated:
8 1. For training of service providers and
9 departmental employees in performance contracting, new
10 service roles, and other skills and information
11 related to the redesign of the child welfare service
12 system, and for the development of a statewide
13 information system for implementation of changes
14 associated with the service system redesign:
15 \$ 1,200,000
16 2. For deposit in a provider loan fund, which
17 shall be created in the office of the treasurer of
18 state under the authority of the department of human
19 services, to be used to assist child welfare service
20 providers with short-term cash flow needs:
21 \$ 1,000,000
22 Moneys in the provider loan fund are appropriated
23 to the department for use in accordance with this
24 subsection. The department shall determine the length
25 and interest rate for loans, if any. Loan repayment
26 proceeds shall be credited to the provider loan fund
27 and are appropriated to the department to be used for
28 other loans.
29 Sec. 46. Section 2C.9, Code 2003, is amended by
30 adding the following new subsection:
31 NEW SUBSECTION. 1A. Investigate, on complaint or
32 on the citizens' aide's own motion, any administrative
33 action of any person providing child welfare or
34 juvenile justice services under contract with an
35 agency that is subject to investigation by the
36 citizens' aide. The person shall be considered to be
37 an agency for purposes of the citizens' aide's
38 investigation.
39 DIVISION XVI
40 DEPARTMENT OF HUMAN SERVICES REINVENTION
41 Sec. 47. APPROPRIATIONS REDUCTION. The
42 appropriations made from the general fund of the state
43 for the fiscal year beginning July 1, 2003, and ending
44 June 30, 2004, to the department of human services in
45 2003 Iowa Acts, [House File 667](#), if enacted, are
46 reduced by \$300,000 to reflect the anticipated savings
47 from the electronic payment of benefits and billings
48 implemented pursuant to this division of this Act.
49 The governor shall apply the appropriations reductions
50 on or before January 1, 2004, following consultation

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1 with the director of human services and the council on
2 human services. The appropriations reductions applied
3 by the governor shall be reported to the general
4 assembly on the date the reductions are applied.
5 Sec. 48. SYSTEM EFFICIENCIES – ELECTRONIC BILLING
6 AND PAYMENT – COMPATIBILITY – COMMUNICATIONS.
7 1. The department of human services shall develop
8 a plan to provide all provider payments under the
9 medical assistance program on an electronic basis by
10 June 30, 2005.
11 2. The department of human services shall submit a
12 plan to implement an electronic billing and payment
13 system for child care providers to the governor and
14 the general assembly by January 1, 2004.
15 3. In developing any billing, payment, or
16 eligibility systems, the department of human services
17 shall ensure that the systems are compatible.
18 4. The department of human services shall
19 investigate measures to increase effective and
20 efficient communications with clients, including but
21 not limited to reducing duplicative mailings, and
22 shall submit a report of recommendations to the
23 governor and the general assembly by January 1, 2004.
24 Sec. 49. MEDICAL ASSISTANCE PROGRAM REDESIGN.
25 1. The department of human services shall
26 establish a work group in cooperation with
27 representatives of the insurance industry to develop a
28 plan for the redesign of the medical assistance
29 program. In developing the redesign plan, the work
30 group shall consider all of the following:
31 a. Iowa's medical assistance program cannot be
32 sustained in a manner that provides care for
33 participants at the current rate of growth.
34 b. Iowans deserve a health care safety net that
35 provides health care that is timely, effective, and
36 responsive to individual needs.
37 c. Iowans would be better served, at a lower cost
38 to taxpayers, if persons who are at risk of becoming
39 medical assistance recipients due to their income,
40 health, and insurance status could be identified and
41 insured.
42 d. Iowa's children and families would benefit from
43 the use of a medical home model that links children
44 and families to an ongoing source of medical care that
45 ensures access to and appropriate utilization of
46 medical services including preventive services.
47 e. Iowa's senior population should have more
48 options available to address the population's health
49 care needs including home and community-based services
50 and assisted living.

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1 2. The redesign plan shall include measures such
2 as providing state funding for health care spending
3 accounts for families in the medical assistance
4 program in order to provide incentives for effective
5 health care cost management, providing an insurance-
6 like benefit package for those individuals with
7 extensive medical needs that emphasizes flexible and
8 preventive care through case management, moving to an
9 acuity-based reimbursement system for dually eligible
10 seniors, and developing an evidence-based
11 pharmaceutical program.

12 3. The department shall submit a progress report
13 of the work group's recommendations for medical
14 assistance program redesign to the governor and the
15 general assembly by January 15, 2004.

16 Sec. 50. MEDICAL ASSISTANCE APPROPRIATION
17 REDUCTION. The appropriation made from the general
18 fund of the state for the fiscal year beginning July
19 1, 2003, and ending June 30, 2004, to the department
20 of human services in 2003 Iowa Acts, [House File 667](#),
21 if enacted, for medical assistance is reduced by
22 \$7,500,000.

23 Sec. 51. HOSPITAL TRUST FUND – MEDICAL ASSISTANCE
24 SUPPLEMENT.

25 1. Notwithstanding 2002 Iowa Acts, chapter 1003,
26 Second Extraordinary Session, sections 150 and 151, as
27 the sections relate to the hospital trust fund, moneys
28 shall not be transferred from the hospital trust fund
29 at the end of the fiscal year beginning July 1, 2003.

30 2. There is appropriated from the hospital trust
31 fund to the department of human services for the
32 fiscal year beginning July 1, 2003, and ending June
33 30, 2004, the following amount, or so much thereof as
34 is necessary to be used for the purposes designated:
35 To supplement the medical assistance appropriation
36 made in 2003 Iowa Acts, [House File 667](#), if enacted:
37 \$ 14,000,000

38 The appropriation made in this subsection shall
39 include moneys in the hospital trust fund that remain
40 unencumbered or unobligated at the end of the fiscal
41 year beginning July 1, 2002, and ending June 30, 2003.

42 Sec. 52. IOWA JUVENILE HOME. The appropriation
43 made from the general fund of the state for the fiscal
44 year beginning July 1, 2003, and ending June 30, 2004,
45 to the department of human services in 2003 Iowa Acts,
46 [House File 667](#), if enacted, for the Iowa juvenile home
47 at Toledo, is reduced by \$410,540.

48 Sec. 53. STATE TRAINING SCHOOL. The appropriation
49 made from the general fund of the state for the fiscal
50 year beginning July 1, 2003, and ending June 30, 2004,

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1 to the department of human services in 2003 Iowa Acts,
2 [House File 667](#), if enacted, for the state training
3 school at Eldora is reduced by \$1,239,227.
4 Sec. 54. INDEPENDENCE MHI. The appropriation made
5 from the general fund of the state for the fiscal year
6 beginning July 1, 2003, and ending June 30, 2004, to
7 the department of human services in 2003 Iowa Acts,
8 [House File 667](#), if enacted, for the state mental
9 health institute at Independence, is reduced by
10 \$544,192.
11 Sec. 55. NEW SECTION. 249A.32 PHARMACEUTICAL
12 SETTLEMENT ACCOUNT – MEDICAL ASSISTANCE PROGRAM.
13 1. A pharmaceutical settlement account is created
14 in the state treasury under the authority of the
15 department of human services. Moneys received from
16 settlements relating to provision of pharmaceuticals
17 under the medical assistance program shall be
18 deposited in the account.
19 2. Moneys in the account shall be used only as
20 provided in appropriations from the account to the
21 department for the purpose of technology upgrades
22 under the medical assistance program.
23 3. The account shall be separate from the general
24 fund of the state and shall not be considered part of
25 the general fund of the state. The moneys in the
26 account shall not be considered revenue of the state,
27 but rather shall be funds of the account. The moneys
28 in the account are not subject to reversion to the
29 general fund of the state under section 8.33 and shall
30 not be transferred, used, obligated, appropriated, or
31 otherwise encumbered, except to provide for the
32 purposes of this section. Notwithstanding section
33 12C.7, subsection 2, interest or earnings on moneys
34 deposited in the account shall be credited to the
35 account.
36 4. The treasurer of state shall provide a
37 quarterly report of account activities and balances to
38 the director.
39 Sec. 56. Section 256.7, subsection 10, Code 2003,
40 is amended to read as follows:
41 10. Adopt rules pursuant to chapter 17a relating
42 to educational programs and budget limitations for
43 educational programs pursuant to sections ~~282.28,~~
44 ~~282.29, 282.30, and 282.31, and 282.33.~~
45 Sec. 57. Section 282.32, Code 2003, is amended to
46 read as follows:
47 282.32 APPEAL.
48 An area education agency or local school district
49 may appeal a decision made pursuant to section ~~282.28~~
50 ~~or 282.31~~ to the state board of education. The

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1 decision of the state board is final.
2 Sec. 58. NEW SECTION. 282.33 FUNDING FOR
3 CHILDREN RESIDING IN STATE MENTAL HEALTH INSTITUTES OR
4 INSTITUTIONS.
5 1. A child who resides in an institution for
6 children under the jurisdiction of the director of
7 human services referred to in section 218.1,
8 subsection 3, 5, 7, or 8, and who is not enrolled in
9 the educational program of the district of residence
10 of the child, shall receive appropriate educational
11 services. The institution in which the child resides
12 shall submit a proposed program and budget based on
13 the average daily attendance of the children residing
14 in the institution to the department of education and
15 the department of human services by January 1 for the
16 next succeeding school year. The department of
17 education shall review and approve or modify the
18 proposed program and budget and shall notify the
19 department of revenue and finance of its action by
20 February 1. The department of revenue and finance
21 shall pay the approved budget amount to the department
22 of human services in monthly installments beginning
23 September 15 and ending June 15 of the next succeeding
24 school year. The installments shall be as nearly
25 equal as possible as determined by the department of
26 revenue and finance, taking into consideration the
27 relative budget and cash position of the state's
28 resources. The department of revenue and finance
29 shall pay the approved budget amount for the
30 department of human services from the moneys
31 appropriated under section 257.16 and the department
32 of human services shall distribute the payment to the
33 institution. The institution shall submit an
34 accounting for the actual cost of the program to the
35 department of education by August 1 of the following
36 school year. The department shall review and approve
37 or modify all expenditures incurred in compliance with
38 the guidelines adopted pursuant to section 256.7,
39 subsection 10, and shall notify the department of
40 revenue and finance of the approved accounting amount.
41 The approved accounting amount shall be compared with
42 any amounts paid by the department of revenue and
43 finance to the department of human services and any
44 differences added to or subtracted from the October
45 payment made under this subsection for the next school
46 year. Any amount paid by the department of revenue
47 and finance shall be deducted monthly from the state
48 foundation aid paid under section 257.16 to all school
49 districts in the state during the subsequent fiscal
50 year. The portion of the total amount of the approved

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1 budget that shall be deducted from the state aid of a
2 school district shall be the same as the ratio that
3 the budget enrollment for the budget year of the
4 school district bears to the total budget enrollment
5 in the state for that budget year in which the
6 deduction is made.

7 2. Programs may be provided during the summer and
8 funded under this section if the institution
9 determines a valid educational reason to do so and the
10 department of education approves the program in the
11 manner provided in subsection 1.

12 Sec. 59. Section 282.28, Code 2003, is repealed.

13 Sec. 60. FY 2003-2004 FUNDING. For purposes of
14 providing funding for educational programs provided to
15 children residing in an institution for children under
16 the jurisdiction of the director of human services
17 referred to in section 218.1, subsection 3, 5, 7, or
18 8, the institution providing such programs to children
19 residing in the institution shall submit an estimated
20 proposed program and budget based on the estimated
21 average daily attendance of children who will likely
22 be provided educational programs during the fiscal
23 year beginning July 1, 2003, and ending June 30, 2004,
24 to the department of education and the department of
25 human services by August 1, 2003. The budget for the
26 institutions referred to in section 218.1, subsections
27 7 and 8, shall include funds to access services from
28 the area education agency in the manner in which the
29 services were accessed from the area education agency
30 in the fiscal year beginning July 1, 2002. The
31 department of education shall review and approve or
32 modify the proposed program and budget and shall
33 notify the department of revenue and finance of its
34 action by September 1, 2003. The department of
35 revenue and finance shall pay the approved budget
36 amount, and the department of human services shall
37 distribute payments, as provided in section 282.33.

38 Sec. 61. EFFECTIVE DATE. The section of this
39 division of this Act relating to appropriation of
40 moneys in the hospital trust fund, being deemed of
41 immediate importance, takes effect upon enactment.

42 DIVISION XVII

43 REINVENTION INVESTMENT

44 Sec. 62. DEPARTMENT OF MANAGEMENT. There is
45 appropriated from the general fund of the state to the
46 department of management for the fiscal year beginning
47 July 1, 2003, and ending June 30, 2004, the following
48 amount, or so much thereof as is necessary, to be used
49 for the purpose designated:

50 For investment in reinvention initiatives intended

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1 to produce ongoing savings, in addition to funds
2 appropriated for this purpose in 2003 Iowa Acts, House
3 File 655, section 11, subsection 3, if enacted:

4
5 \$ 1,350,000

6 DIVISION XVIII

7 IOWa LOTTERY AUTHORITY

8 Sec. 63. NEW SECTION. 99G.1 TITLE.

9 This chapter may be cited as the "Iowa Lottery
10 Authority Act".

11 Sec. 64. NEW SECTION. 99G.2 STATEMENT OF PURPOSE
12 AND INTENT.

13 The general assembly finds and declares the
14 following:

15 1. That net proceeds of lottery games conducted
16 pursuant to this chapter should be transferred to the
17 general fund of the state in support of a variety of
18 programs and services.

19 2. That lottery games are an entrepreneurial
20 enterprise and that the state should create a public
21 instrumentality of the state in the form of a
22 nonprofit authority known as the Iowa lottery
23 authority with comprehensive and extensive powers to
24 operate a state lottery in an entrepreneurial and
25 businesslike manner and which is accountable to the
26 governor, the general assembly, and the people of the
27 state through a system of audits, reports, legislative
28 oversight, and thorough financial disclosure as
29 required by this chapter.

30 3. That lottery games shall be operated and
31 managed in a manner that provides continuing
32 entertainment to the public, maximizes revenues, and
33 ensures that the lottery is operated with integrity
34 and dignity and free from political influence.

35 Sec. 65. NEW SECTION. 99G.3 DEFINITIONS.

36 As used in this chapter, unless the context clearly
37 requires otherwise:

38 1. "Administrative expenses" includes, but is not
39 limited to, personnel costs, travel, purchase of
40 equipment and all other expenses not directly
41 associated with the operation or sale of a game.

42 2. "Authority" means the Iowa lottery authority.

43 3. "Board" means the board of directors of the
44 authority.

45 4. "Chief executive officer" means the chief
46 executive officer of the authority.

47 5. "Game specific rules" means rules governing the
48 particular features of specific games, including, but
49 not limited to, setting the name, ticket price, prize
50 structure, and prize claim period of the game.

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- 1 6. "Instant lottery" or "instant ticket" means a
2 game that offers preprinted tickets such that when a
3 protective coating is scratched or scraped away, it
4 indicates immediately whether the player has won.
- 5 7. "Lottery", "lotteries", "lottery game",
6 "lottery games" or "lottery products" means any game
7 of chance approved by the board and operated pursuant
8 to this chapter and games using mechanical or
9 electronic devices, provided that the authority shall
10 not authorize a player-activated gaming machine that
11 utilizes an internal randomizer to determine winning
12 and nonwinning plays and that upon random internal
13 selection of a winning play dispenses coins, currency,
14 or a ticket, credit, or token to the player that is
15 redeemable for cash or a prize, and excluding gambling
16 or gaming conducted pursuant to chapter 99B, 99D, or
17 99F.
- 18 8. "Major procurement contract" means a consulting
19 agreement or a contract with a business organization
20 for the printing of tickets or the purchase or lease
21 of equipment or services essential to the operation of
22 a lottery game.
- 23 9. "Net proceeds" means all revenue derived from
24 the sale of lottery tickets or shares and all other
25 moneys derived from the lottery, less operating
26 expenses.
- 27 10. "On-line lotto" means a lottery game connected
28 to a central computer via telecommunications in which
29 the player selects a specified group of numbers,
30 symbols, or characters out of a predetermined range.
- 31 11. "Operating expenses" means all costs of doing
32 business, including, but not limited to, prizes and
33 associated prize reserves, computerized gaming system
34 vendor expense, instant and pull-tab ticket expense,
35 and other expenses directly associated with the
36 operation or sale of any game, compensation paid to
37 retailers, advertising and marketing costs, and
38 administrative expenses.
- 39 12. "Pull-tab ticket" or "pull-tab" means a game
40 that offers preprinted paper tickets with the play
41 data hidden beneath a protective tab or seal that when
42 opened reveals immediately whether the player has won.
- 43 13. "Retailer" means a person, licensed by the
44 authority, who sells lottery tickets or shares on
45 behalf of the authority pursuant to a contract.
- 46 14. "Share" means any intangible evidence of
47 participation in a lottery game.
- 48 15. "Ticket" means any tangible evidence issued by
49 the lottery to provide participation in a lottery
50 game.

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1 16. "Vendor" means a person who provides or
2 proposes to provide goods or services to the authority
3 pursuant to a major procurement contract, but does not
4 include an employee of the authority, a retailer, or a
5 state agency or instrumentality thereof.

6 Sec. 66. NEW SECTION. 99G.4 IOWA LOTTERY
7 AUTHORITY CREATED.

8 1. An Iowa lottery authority is created, effective
9 September 1, 2003, which shall administer the state
10 lottery. The authority shall be deemed to be a public
11 authority and an instrumentality of the state, and not
12 a state agency. However, the authority shall be
13 considered a state agency for purposes of chapters
14 17A, 21, 22, 28E, 68B, 91B, 97B, 509A, and 669.

15 2. The income and property of the authority shall
16 be exempt from all state and local taxes, and the sale
17 of lottery tickets and shares issued and sold by the
18 authority and its retail licensees shall be exempt
19 from all state and local sales taxes.

20 Sec. 67. NEW SECTION. 99G.5 CHIEF EXECUTIVE
21 OFFICER.

22 The chief executive officer of the authority shall
23 be appointed by the governor subject to confirmation
24 by the senate and shall serve a four-year term of
25 office beginning and ending as provided in section
26 69.19. The chief executive officer shall be qualified
27 by training and experience to manage a lottery. The
28 governor may remove the chief executive officer for
29 malfeasance in office, or for any cause that renders
30 the chief executive officer ineligible, incapable, or
31 unfit to discharge the duties of the office.

32 Compensation and employment terms of the chief
33 executive officer shall be set by the governor, taking
34 into consideration the officer's level of education
35 and experience, as well as the success of the lottery.
36 The chief executive officer shall be an employee of
37 the authority and shall direct the day-to-day
38 operations and management of the authority and be
39 vested with such powers and duties as specified by the
40 board and by law.

41 Sec. 68. NEW SECTION. 99G.6 POWER TO ADMINISTER
42 OATHS AND TAKE TESTIMONY – SUBPOENA.

43 The chief executive officer or the chief executive
44 officer's designee if authorized to conduct an
45 inquiry, investigation, or hearing under this chapter
46 may administer oaths and take testimony under oath
47 relative to the matter of inquiry, investigation, or
48 hearing. At a hearing ordered by the chief executive
49 officer, the chief executive officer or the designee
50 may subpoena witnesses and require the production of

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1 records, paper, or documents pertinent to the hearing.
2 Sec. 69. NEW SECTION. 99G.7 DUTIES OF THE CHIEF
3 EXECUTIVE OFFICER.
4 1. The chief executive officer of the authority
5 shall direct and supervise all administrative and
6 technical activities in accordance with the provisions
7 of this chapter and with the administrative rules,
8 policies, and procedures adopted by the board. The
9 chief executive officer shall do all of the following:
10 a. Facilitate the initiation and supervise and
11 administer the operation of the lottery games.
12 b. Employ an executive vice president, who shall
13 act as chief executive officer in the absence of the
14 chief executive officer, and employ and direct other
15 such personnel as deemed necessary.
16 c. Contract with and compensate such persons and
17 firms as deemed necessary for the operation of the
18 lottery.
19 d. Promote or provide for promotion of the lottery
20 and any functions related to the authority.
21 e. Prepare a budget for the approval of the board.
22 f. Require bond from such retailers and vendors in
23 such amounts as required by the board.
24 g. Report semiannually to the legislative
25 government oversight committees regarding the
26 operations of the authority.
27 h. Report quarterly and annually to the board, the
28 governor, the auditor of state, and the general
29 assembly a full and complete statement of lottery
30 revenues and expenses for the preceding quarter, and
31 with respect to the annual report, for the preceding
32 year and transfer proceeds to the general fund within
33 thirty days following the end of the quarter.
34 i. Perform other duties generally associated with
35 a chief executive officer of an authority of an
36 entrepreneurial nature.
37 2. The chief executive officer shall conduct an
38 ongoing study of the operation and administration of
39 lottery laws similar to this chapter in other states
40 or countries, of available literature on the subject,
41 of federal laws and regulations which may affect the
42 operation of the lottery and of the reaction of
43 citizens of this state to existing or proposed
44 features of lottery games with a view toward
45 implementing improvements that will tend to serve the
46 purposes of this chapter.
47 3. The chief executive officer may for good cause
48 suspend, revoke, or refuse to renew any contract
49 entered into in accordance with the provisions of this
50 chapter or the administrative rules, policies, and

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1 procedures of the board.
2 4. The chief executive officer or the chief
3 executive officer's designee may conduct hearings and
4 administer oaths to persons for the purpose of
5 assuring the security or integrity of lottery
6 operations or to determine the qualifications of or
7 compliance by vendors and retailers.
8 Sec. 70. NEW SECTION. 99G.8 BOARD OF DIRECTORS.
9 1. The authority shall be administered by a board
10 of directors comprised of five members appointed by
11 the governor subject to confirmation by the senate.
12 Board members appointed when the senate is not in
13 session shall serve only until the end of the next
14 regular session of the general assembly, unless
15 confirmed by the senate.
16 2. Board members shall serve staggered terms of
17 four years beginning and ending as provided in section
18 69.19. No more than three board members shall be from
19 the same political party.
20 3. Board members may be removed by the governor
21 for neglect of duty, misfeasance, or nonfeasance in
22 office.
23 4. No officer or employee of the authority shall
24 be a member of the board.
25 5. Board members shall be residents of the state
26 of Iowa, shall be prominent persons in their
27 respective businesses or professions, and shall not
28 have been convicted of any felony offense. Of the
29 members appointed, the governor shall appoint to the
30 board an attorney admitted to the practice of law in
31 Iowa, an accountant, a person who is or has been a law
32 enforcement officer, and a person having expertise in
33 marketing.
34 6. A majority of members in office shall
35 constitute a quorum for the transaction of any
36 business and for the exercise of any power or function
37 of the authority.
38 7. Action may be taken and motions and resolutions
39 adopted by the board at any meeting thereof by the
40 affirmative vote of a majority of present and voting
41 board members.
42 8. No vacancy in the membership of the board shall
43 impair the right of the members to exercise all the
44 powers and perform all the duties of the board.
45 9. Board members shall be considered to hold
46 public office and shall give bond as such as required
47 in chapter 64.
48 10. Board members shall be entitled to receive a
49 per diem as specified in section 7E.6 for each day
50 spent in performance of duties as members, and shall

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1 be reimbursed for all actual and necessary expenses
2 incurred in the performance of their official duties
3 as members. No person who serves as a member of the
4 board shall by reason of such membership be eligible
5 for membership in the Iowa public employees'
6 retirement system and service on the board shall not
7 be eligible for service credit for any public
8 retirement system.

9 11. The board shall meet at least quarterly and at
10 such other times upon call of the chairperson or the
11 president. Notice of the time and place of each board
12 meeting shall be given to each member. The board
13 shall also meet upon call of three or more of the
14 board members. The board shall keep accurate and
15 complete records of all its meetings.

16 12. Meetings of the board shall be governed by the
17 provisions of chapter 21.

18 13. Board members shall not have any direct or
19 indirect interest in an undertaking that puts their
20 personal interest in conflict with that of the
21 authority, including, but not limited to, an interest
22 in a major procurement contract or a participating
23 retailer.

24 14. The members shall elect from their membership
25 a chairperson and vice chairperson.

26 15. The board of directors may delegate to the
27 chief executive officer of the authority such powers
28 and duties as it may deem proper to the extent such
29 delegation is not inconsistent with the Constitution
30 of this state.

31 Sec. 71. NEW SECTION. 99G.9 BOARD DUTIES.

32 The board shall provide the chief executive officer
33 with private-sector perspectives of a large marketing
34 enterprise. The board shall do all of the following:

35 1. Approve, disapprove, amend, or modify the
36 budget recommended by the chief executive officer for
37 the operation of the authority.

38 2. Approve, disapprove, amend, or modify the terms
39 of major lottery procurements recommended by the chief
40 executive officer.

41 3. Adopt policies and procedures and promulgate
42 administrative rules pursuant to chapter 17a relating
43 to the management and operation of the authority. The
44 administrative rules promulgated pursuant to this
45 subsection may include but shall not be limited to the
46 following:

47 a. The type of games to be conducted.

48 b. The sale price of tickets or shares and the
49 manner of sale, including but not limited to
50 authorization of sale of tickets or shares at a

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1 discount for marketing purposes, provided, however,
2 that a retailer may accept payment by cash, check,
3 money order, debit card, or electronic funds transfer
4 and shall not extend or arrange credit for the
5 purchase of a ticket or share. As used in this
6 section, "cash" means United States currency.

7 c. The number and amount of prizes, including but
8 not limited to prizes of free tickets or shares in
9 lottery games conducted by the authority and
10 merchandise prizes. The authority shall maintain and
11 make available for public inspection at its offices
12 during regular business hours a detailed listing of
13 the estimated number of prizes of each particular
14 denomination that are expected to be awarded in any
15 game that is on sale or the estimated odds of winning
16 the prizes and, after the end of the claim period,
17 shall maintain and make available a listing of the
18 total number of tickets or shares sold in a game and
19 the number of prizes of each denomination that were
20 awarded.

21 d. The method and location of selecting or
22 validating winning tickets or shares.

23 e. The manner and time of payment of prizes, which
24 may include lump-sum payments or installments over a
25 period of years.

26 f. The manner of payment of prizes to the holders
27 of winning tickets or shares after performing
28 validation procedures appropriate to the game and as
29 specified by the board.

30 g. The frequency of games and drawings or
31 selection of winning tickets or shares.

32 h. The means of conducting drawings, provided that
33 drawings shall be open to the public and witnessed by
34 an independent certified public accountant. Equipment
35 used to select winning tickets or shares or
36 participants for prizes shall be examined by an
37 independent certified public accountant prior to and
38 after each drawing.

39 i. The manner and amount of compensation to
40 lottery retailers.

41 j. The engagement and compensation of audit
42 services.

43 k. Any and all other matters necessary, desirable,
44 or convenient toward ensuring the efficient and
45 effective operation of lottery games, the continued
46 entertainment and convenience of the public, and the
47 integrity of the lottery.

48 4. Adopt game specific rules. The promulgation of
49 game specific rules shall not be subject to the
50 requirements of chapter 17A. However, game specific

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1 rules shall be made available to the public prior to
2 the time the games go on sale and shall be kept on
3 file at the office of the authority.

4 5. Perform such other functions as specified by
5 this chapter.

6 Sec. 72. NEW SECTION. 99G.10 AUTHORITY
7 PERSONNEL.

8 1. All employees of the authority shall be
9 considered public employees.

10 2. Subject to the approval of the board, the chief
11 executive officer shall have the sole power to
12 designate particular employees as key personnel, but
13 may take advice from the department of personnel in
14 making any such designations. All key personnel shall
15 be exempt from the merit system described in chapter
16 19A. The chief executive officer and the board shall
17 have the sole power to employ, classify, and fix the
18 compensation of key personnel. All other employees
19 shall be employed, classified, and compensated in
20 accordance with chapters 19a and 20.

21 3. The chief executive officer and the board shall
22 have the exclusive power to determine the number of
23 full-time equivalent positions, as defined in chapter
24 8, necessary to carry out the provisions of this
25 chapter.

26 4. The chief executive officer shall have the sole
27 responsibility to assign duties to all authority
28 employees.

29 5. The authority may establish incentive programs
30 for authority employees.

31 6. An employee of the authority shall not have a
32 financial interest in any vendor doing business or
33 proposing to do business with the authority. However,
34 an employee may own shares of a mutual fund which may
35 hold shares of a vendor corporation provided the
36 employee does not have the ability to influence the
37 investment functions of the mutual fund.

38 7. An employee of the authority with decision-
39 making authority shall not participate in any decision
40 involving a retailer with whom the employee has a
41 financial interest.

42 8. A background investigation shall be conducted
43 by the department of public safety, division of
44 criminal investigation, on each applicant who has
45 reached the final selection process prior to
46 employment by the authority. For positions not
47 designated as sensitive by the board, the
48 investigation may consist of a state criminal history
49 background check, work history, and financial review.
50 The board shall identify those sensitive positions of

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1 the authority which require full background
2 investigations, which positions shall include, at a
3 minimum, any officer of the authority, and any
4 employee with operational management responsibilities,
5 security duties, or system maintenance or programming
6 responsibilities related to the authority's data
7 processing or network hardware, software,
8 communication, or related systems. In addition to a
9 work history and financial review, a full background
10 investigation may include a national criminal history
11 record check through the federal bureau of
12 investigation. The screening of employees through the
13 federal bureau of investigation shall be conducted by
14 submission of fingerprints through the state criminal
15 history record repository to the federal bureau of
16 investigation. The results of background
17 investigations conducted pursuant to this section
18 shall not be considered public records under chapter
19 22.

20 9. A person who has been convicted of a felony or
21 bookmaking or other form of illegal gambling or of a
22 crime involving moral turpitude shall not be employed
23 by the authority.

24 10. The authority shall bond authority employees
25 with access to authority funds or lottery revenue in
26 such an amount as provided by the board and may bond
27 other employees as deemed necessary.

28 Sec. 73. NEW SECTION. 99G.11 CONFLICTS OF
29 INTEREST.

30 1. A member of the board, any officer, or other
31 employee of the authority shall not directly or
32 indirectly, individually, as a member of a partnership
33 or other association, or as a shareholder, director,
34 or officer of a corporation have an interest in a
35 business that contracts for the operation or marketing
36 of the lottery as authorized by this chapter, unless
37 the business is controlled or operated by a consortium
38 of lotteries in which the authority has an interest.

39 2. Notwithstanding the provisions of chapter 68B,
40 a person contracting or seeking to contract with the
41 state to supply gaming equipment or materials for use
42 in the operation of the lottery, an applicant for a
43 license to sell tickets or shares in the lottery, or a
44 retailer shall not offer a member of the board, any
45 officer, or other employee of the authority, or a
46 member of their immediate family a gift, gratuity, or
47 other thing having a value of more than the limits
48 established in chapter 68B, other than food and
49 beverage consumed at a meal. For purposes of this
50 subsection, "member of their immediate family" means a

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1 spouse, child, stepchild, brother, brother-in-law,
2 stepbrother, sister, sister-in-law, stepsister,
3 parent, parent-in-law, or step-parent of the board
4 member, the officer, or other employee who resides in
5 the same household in the same principal residence of
6 the board member, officer, or other employee.

7 3. If a board member, officer, or other employee
8 of the authority violates a provision of this section,
9 the board member, officer, or employee shall be
10 immediately removed from the office or position.

11 4. Enforcement of this section against a board
12 member, officer, or other employee shall be by the
13 attorney general who upon finding a violation shall
14 initiate an action to remove the board member,
15 officer, or employee.

16 5. A violation of this section is a serious
17 misdemeanor.

18 Sec. 74. NEW SECTION. 99G.21 AUTHORITY POWERS,
19 TRANSFER OF ASSETS, LIABILITIES, AND OBLIGATIONS.

20 1. Funds of the state shall not be used or
21 obligated to pay the expenses or prizes of the
22 authority.

23 2. The authority shall have any and all powers
24 necessary or convenient to carry out and effectuate
25 the purposes and provisions of this chapter which are
26 not in conflict with the Constitution of this state,
27 including, but without limiting the generality of the
28 foregoing, the following powers:

29 a. To sue and be sued and to complain and defend
30 in all courts.

31 b. To adopt and alter a seal.

32 c. To procure or to provide insurance.

33 d. To hold copyrights, trademarks, and service
34 marks and enforce its rights with respect thereto.

35 e. To initiate, supervise, and administer the
36 operation of the lottery in accordance with the
37 provisions of this chapter and administrative rules,
38 policies, and procedures adopted pursuant thereto.

39 f. To enter into written agreements with one or
40 more other states or territories of the United States,
41 or one or more political subdivisions of another state
42 or territory of the United States, or any entity
43 lawfully operating a lottery outside the United States
44 for the operation, marketing, and promotion of a joint
45 lottery or joint lottery game. For the purposes of
46 this subsection, any lottery with which the authority
47 reaches an agreement or compact shall meet the
48 criteria for security, integrity, and finance set by
49 the board.

50 g. To conduct such market research as is necessary

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1 or appropriate, which may include an analysis of the
2 demographic characteristics of the players of each
3 lottery game, and an analysis of advertising,
4 promotion, public relations, incentives, and other
5 aspects of communication.
6 h. Subject to the provisions of subsection 3, to
7 acquire or lease real property and make improvements
8 thereon and acquire by lease or by purchase, personal
9 property, including, but not limited to, computers;
10 mechanical, electronic, and on-line equipment and
11 terminals; and intangible property, including, but not
12 limited to, computer programs, systems, and software.
13 i. Subject to the provisions of subsection 3, to
14 enter into contracts to incur debt in its own name and
15 enter into financing agreements with the state,
16 agencies or instrumentalities of the state, or with
17 any commercial bank or credit provider.
18 j. To select and contract with vendors and
19 retailers.
20 k. To enter into contracts or agreements with
21 state or local law enforcement agencies for the
22 performance of law enforcement, background
23 investigations, and security checks.
24 l. To enter into contracts of any and all types on
25 such terms and conditions as the authority may
26 determine necessary.
27 m. To establish and maintain banking
28 relationships, including, but not limited to,
29 establishment of checking and savings accounts and
30 lines of credit.
31 n. To advertise and promote the lottery and
32 lottery games.
33 o. To act as a retailer, to conduct promotions
34 which involve the dispensing of lottery tickets or
35 shares, and to establish and operate a sales facility
36 to sell lottery tickets or shares and any related
37 merchandise.
38 p. Notwithstanding any other provision of law to
39 the contrary, to purchase meals for attendees at
40 authority business meetings.
41 q. To exercise all powers generally exercised by
42 private businesses engaged in entrepreneurial
43 pursuits, unless the exercise of such a power would
44 violate the terms of this chapter or of the
45 Constitution of this state.
46 3. Notwithstanding any other provision of law, any
47 purchase of real property and any borrowing of more
48 than one million dollars by the authority shall
49 require written notice from the authority to the
50 legislative government oversight committees and the

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1 prior approval of the executive council.

2 4. The powers enumerated in this section are
3 cumulative of and in addition to those powers
4 enumerated elsewhere in this chapter and no such
5 powers limit or restrict any other powers of the
6 authority.

7 5. Departments, boards, commissions, or other
8 agencies of this state shall provide reasonable
9 assistance and services to the authority upon the
10 request of the chief executive officer.

11 Sec. 75. NEW SECTION. 99G.22 VENDOR BACKGROUND
12 REVIEW.

13 1. The authority shall investigate the financial
14 responsibility, security, and integrity of any lottery
15 system vendor who is a finalist in submitting a bid,
16 proposal, or offer as part of a major procurement
17 contract. Before a major procurement contract is
18 awarded, the division of criminal investigation of the
19 department of public safety shall conduct a background
20 investigation of the vendor to whom the contract is to
21 be awarded. The chief executive officer and board
22 shall consult with the division of criminal
23 investigation and shall provide for the scope of the
24 background investigation and due diligence to be
25 conducted in connection with major procurement
26 contracts. At the time of submitting a bid, proposal,
27 or offer to the authority on a major procurement
28 contract, the authority shall require that each vendor
29 submit to the division of criminal investigation
30 appropriate investigation authorization to facilitate
31 this investigation, together with an advance of funds
32 to meet the anticipated investigation costs. If the
33 division of criminal investigation determines that
34 additional funds are required to complete an
35 investigation, the vendor will be so advised. The
36 background investigation by the division of criminal
37 investigation may include a national criminal history
38 record check through the federal bureau of
39 investigation. The screening of vendors or their
40 employees through the federal bureau of investigation
41 shall be conducted by submission of fingerprints
42 through the state criminal history record repository
43 to the federal bureau of investigation.

44 2. If at least twenty-five percent of the cost of
45 a vendor's contract is subcontracted, the vendor shall
46 disclose all of the information required by this
47 section for the subcontractor as if the subcontractor
48 were itself a vendor.

49 3. A major procurement contract shall not be
50 entered into with any lottery system vendor who has

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1 not complied with the disclosure requirements
2 described in this section, and any contract with such
3 a vendor is voidable at the option of the authority.
4 Any contract with a vendor that does not comply with
5 the requirements for periodically updating such
6 disclosures during the tenure of the contract as may
7 be specified in such contract may be terminated by the
8 authority. The provisions of this section shall be
9 construed broadly and liberally to achieve the ends of
10 full disclosure of all information necessary to allow
11 for a full and complete evaluation by the authority of
12 the competence, integrity, background, and character
13 of vendors for major procurements.

14 4. A major procurement contract shall not be
15 entered into with any vendor who has been found guilty
16 of a felony related to the security or integrity of
17 the lottery in this or any other jurisdiction.

18 5. A major procurement contract shall not be
19 entered into with any vendor if such vendor has an
20 ownership interest in an entity that had supplied
21 consultation services under contract to the authority
22 regarding the request for proposals pertaining to
23 those particular goods or services.

24 6. If, based on the results of a background
25 investigation, the board determines that the best
26 interests of the authority, including but not limited
27 to the authority's reputation for integrity, would be
28 served thereby, the board may disqualify a potential
29 vendor from contracting with the authority for a major
30 procurement contract or from acting as a subcontractor
31 in connection with a contract for a major procurement
32 contract.

33 Sec. 76. NEW SECTION. 99G.23 VENDOR BONDING, TAX
34 FILING, AND COMPETITIVE BIDDING.

35 1. The authority may purchase, lease, or lease-
36 purchase such goods or services as are necessary for
37 effectuating the purposes of this chapter. The
38 authority may make procurements that integrate
39 functions such as lottery game design, lottery ticket
40 distribution to retailers, supply of goods and
41 services, and advertising. In all procurement
42 decisions, the authority shall take into account the
43 particularly sensitive nature of the lottery and shall
44 act to promote and ensure security, honesty, fairness,
45 and integrity in the operation and administration of
46 the lottery and the objectives of raising net proceeds
47 for state programs.

48 2. Each vendor shall, at the execution of the
49 contract with the authority, post a performance bond
50 or letter of credit from a bank or credit provider

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1 acceptable to the authority in an amount as deemed
2 necessary by the authority for that particular bid or
3 contract.

4 3. Each vendor shall be qualified to do business
5 in this state and shall file appropriate tax returns
6 as provided by the laws of this state.

7 4. All major procurement contracts must be
8 competitively bid pursuant to policies and procedures
9 approved by the board unless there is only one
10 qualified vendor and that vendor has an exclusive
11 right to offer the service or product.

12 Sec. 77. NEW SECTION. 99G.24 RETAILER
13 COMPENSATION – LICENSING.

14 1. The general assembly recognizes that to conduct
15 a successful lottery, the authority must develop and
16 maintain a statewide network of lottery retailers that
17 will serve the public convenience and promote the sale
18 of tickets or shares and the playing of lottery games
19 while ensuring the integrity of the lottery
20 operations, games, and activities.

21 2. The board shall determine the compensation to
22 be paid to licensed retailers. Compensation may
23 include provision for variable payments based on sales
24 volume or incentive considerations.

25 3. The authority shall issue a license certificate
26 to each person with whom it contracts as a retailer
27 for purposes of display as provided in this section.
28 Every lottery retailer shall post its license
29 certificate, or a facsimile thereof, and keep it
30 conspicuously displayed in a location on the premises
31 accessible to the public. No license shall be
32 assignable or transferable. Once issued, a license
33 shall remain in effect until canceled, suspended, or
34 terminated by the authority.

35 4. A licensee shall cooperate with the authority
36 by using point-of-purchase materials, posters, and
37 other marketing material when requested to do so by
38 the authority. Lack of cooperation is sufficient
39 cause for revocation of a retailer's license.

40 5. The board shall develop a list of objective
41 criteria upon which the qualification of lottery
42 retailers shall be based. Separate criteria shall be
43 developed to govern the selection of retailers of
44 instant tickets and online retailers. In developing
45 these criteria, the board shall consider such factors
46 as the applicant's financial responsibility, security
47 of the applicant's place of business or activity,
48 accessibility to the public, integrity, and
49 reputation. The criteria shall include but not be
50 limited to the volume of expected sales and the

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1 sufficiency of existing licensees to serve the public
2 convenience.

3 6. The applicant shall be current in filing all
4 applicable tax returns to the state of Iowa and in
5 payment of all taxes, interest, and penalties owed to
6 the state of Iowa, excluding items under formal appeal
7 pursuant to applicable statutes. The department of
8 revenue and finance is authorized and directed to
9 provide this information to the authority.

10 7. A person, partnership, unincorporated
11 association, authority, or other business entity shall
12 not be selected as a lottery retailer if the person or
13 entity meets any of the following conditions:

14 a. Has been convicted of a criminal offense
15 related to the security or integrity of the lottery in
16 this or any other jurisdiction.

17 b. Has been convicted of any illegal gambling
18 activity, false statements, perjury, fraud, or a
19 felony in this or any other jurisdiction.

20 c. Has been found to have violated the provisions
21 of this chapter or any regulation, policy, or
22 procedure of the authority or of the lottery division
23 unless either ten years have passed since the
24 violation or the board finds the violation both minor
25 and unintentional in nature.

26 d. Is a vendor or any employee or agent of any
27 vendor doing business with the authority.

28 e. Resides in the same household as an officer of
29 the authority.

30 f. Is less than eighteen years of age.

31 g. Does not demonstrate financial responsibility
32 sufficient to adequately meet the requirements of the
33 proposed enterprise.

34 h. Has not demonstrated that the applicant is the
35 true owner of the business proposed to be licensed and
36 that all persons holding at least a ten percent
37 ownership interest in the applicant's business have
38 been disclosed.

39 i. Has knowingly made a false statement of
40 material fact to the authority.

41 8. Persons applying to become lottery retailers
42 may be charged a uniform application fee for each
43 lottery outlet.

44 9. Any lottery retailer contract executed pursuant
45 to this section may, for good cause, be suspended,
46 revoked, or terminated by the chief executive officer
47 or the chief executive officer's designee if the
48 retailer is found to have violated any provision of
49 this chapter or objective criteria established by the
50 board. Cause for suspension, revocation, or

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1 termination may include, but is not limited to, sale
2 of tickets or shares to a person under the age of
3 twenty-one and failure to pay for lottery products in
4 a timely manner.

5 Sec. 78. NEW SECTION. 99G.25 LICENSE NOT
6 ASSIGNABLE.

7 Any lottery retailer license certificate or
8 contract shall not be transferable or assignable. The
9 authority may issue a temporary license when deemed in
10 the best interests of the state. A lottery retailer
11 shall not contract with any person for lottery goods
12 or services, except with the approval of the board.

13 Sec. 79. NEW SECTION. 99G.26 RETAILER BONDING.

14 The authority may require any retailer to post an
15 appropriate bond, as determined by the authority,
16 using a cash bond or an insurance company acceptable
17 to the authority.

18 Sec. 80. NEW SECTION. 99G.27 LOTTERY RETAIL
19 LICENSES – CANCELLATION, SUSPENSION, REVOCATION, OR
20 TERMINATION.

21 1. A lottery retail license issued by the
22 authority pursuant to this chapter may be canceled,
23 suspended, revoked, or terminated by the authority,
24 for reasons including, but not limited to, any of the
25 following:

26 a. A violation of this chapter, a regulation, or a
27 policy or procedure of the authority.

28 b. Failure to accurately or timely account or pay
29 for lottery products, lottery games, revenues, or
30 prizes as required by the authority.

31 c. Commission of any fraud, deceit, or
32 misrepresentation.

33 d. Insufficient sales.

34 e. Conduct prejudicial to public confidence in the
35 lottery.

36 f. The retailer filing for or being placed in
37 bankruptcy or receivership.

38 g. Any material change as determined in the sole
39 discretion of the authority in any matter considered
40 by the authority in executing the contract with the
41 retailer.

42 h. Failure to meet any of the objective criteria
43 established by the authority pursuant to this chapter.

44 i. Other conduct likely to result in injury to the
45 property, revenue, or reputation of the authority.

46 2. A lottery retailer license may be temporarily
47 suspended by the authority without prior notice if the
48 chief executive officer or designee determines that
49 further sales by the licensed retailer are likely to
50 result in immediate injury to the property, revenue,

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1 or reputation of the authority.
2 3. The board shall adopt administrative rules
3 governing appeals of lottery retailer licensing
4 disputes.
5 Sec. 81. NEW SECTION. 99G.28 PROCEEDS HELD IN
6 TRUST.
7 All proceeds from the sale of the lottery tickets
8 or shares shall constitute a trust fund until paid to
9 the authority directly, through electronic funds
10 transfer to the authority, or through the authority's
11 authorized collection representative. A lottery
12 retailer and officers of a lottery retailer's business
13 shall have a fiduciary duty to preserve and account
14 for lottery proceeds and lottery retailers shall be
15 personally liable for all proceeds. Proceeds shall
16 include unsold products received but not paid for by a
17 lottery retailer and cash proceeds of the sale of any
18 lottery products net of allowable sales commissions
19 and credit for lottery prizes paid to winners by
20 lottery retailers. Sales proceeds of pull-tab tickets
21 shall include the sales price of the lottery product
22 net of allowable sales commission and prizes contained
23 in the product. Sales proceeds and unused instant
24 tickets shall be delivered to the authority or its
25 authorized collection representative upon demand.
26 Sec. 82. NEW SECTION. 99G.29 RETAILER RENTAL
27 CALCULATIONS – LOTTERY TICKET SALES TREATMENT.
28 If a lottery retailer's rental payments for the
29 business premises are contractually computed, in whole
30 or in part, on the basis of a percentage of retail
31 sales and such computation of retail sales is not
32 explicitly defined to include sales of tickets or
33 shares in a state-operated or state-managed lottery,
34 only the compensation received by the lottery retailer
35 from the authority may be considered the amount of the
36 lottery retail sale for purposes of computing the
37 rental payment.
38 Sec. 83. NEW SECTION. 99G.30 TICKET SALES
39 REQUIREMENTS – PENALTIES.
40 1. Lottery tickets or shares may be distributed by
41 the authority for promotional purposes.
42 2. A ticket or share shall not be sold at a price
43 other than that fixed by the authority and a sale
44 shall not be made other than by a retailer or an
45 employee of the retailer who is authorized by the
46 retailer to sell tickets or shares. A person who
47 violates a provision of this subsection is guilty of a
48 simple misdemeanor.
49 3. A ticket or share shall not be sold to a person
50 who has not reached the age of twenty-one. Any person

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1 who knowingly sells a lottery ticket or share to a
2 person under the age of twenty-one shall be guilty of
3 a simple misdemeanor. It shall be an affirmative
4 defense to a charge of a violation under this section
5 that the retailer reasonably and in good faith relied
6 upon presentation of proof of age in making the sale.
7 a prize won by a person who has not reached the age of
8 twenty-one but who purchases a winning ticket or share
9 in violation of this subsection shall be forfeited.

10 This section does not prohibit the lawful purchase of
11 a ticket or share for the purpose of making a gift to
12 a person who has not reached the age of twenty-one.
13 The board shall adopt administrative rules governing
14 the payment of prizes to persons who have not reached
15 the age of twenty-one.

16 4. Except for the authority, a retailer shall only
17 sell lottery products on the licensed premises and not
18 through the mail or by technological means except as
19 the authority may provide or authorize.

20 5. The retailer may accept payment by cash, check,
21 money order, debit card, or electronic funds transfer.
22 The retailer shall not extend or arrange credit for
23 the purchase of a ticket or share. As used in this
24 subsection, "cash" means United States currency.

25 6. Nothing in this chapter shall be construed to
26 prohibit the authority from designating certain of its
27 agents and employees to sell or give lottery tickets
28 or shares directly to the public.

29 7. No elected official's name shall be printed on
30 tickets.

31 Sec. 84. NEW SECTION. 99G.31 PRIZES.

32 1. The chief executive officer shall award the
33 designated prize to the ticket or shareholder upon
34 presentation of the winning ticket or confirmation of
35 a winning share. The prize shall be given to only one
36 person; however, a prize shall be divided between
37 holders of winning tickets if there is more than one
38 winning ticket.

39 2. The authority shall adopt administrative rules,
40 policies, and procedures to establish a system of
41 verifying the validity of tickets or shares claimed to
42 win prizes and to effect payment of such prizes,
43 subject to the following requirements:

44 a. The prize shall be given to the person who
45 presents a winning ticket. A prize may be given to
46 only one person per winning ticket. However, a prize
47 shall be divided between holders of winning tickets if
48 there is more than one winning ticket. Payment of a
49 prize may be made to the estate of a deceased prize
50 winner or to another person pursuant to an appropriate

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1 judicial order issued by an Iowa court of competent
2 jurisdiction.

3 b. A prize shall not be paid arising from claimed
4 tickets that are stolen, counterfeit, altered,
5 fraudulent, unissued, produced or issued in error,
6 unreadable, not received, or not recorded by the
7 authority within applicable deadlines; lacking in
8 captions that conform and agree with the play symbols
9 as appropriate to the particular lottery game
10 involved; or not in compliance with such additional
11 specific administrative rules, policies, and public or
12 confidential validation and security tests of the
13 authority appropriate to the particular lottery game
14 involved.

15 c. No particular prize in any lottery game shall
16 be paid more than once, and in the event of a
17 determination that more than one claimant is entitled
18 to a particular prize, the sole remedy of such
19 claimants is the award to each of them of an equal
20 share in the prize.

21 d. Unclaimed prize money for the prize on a
22 winning ticket or share shall be retained for a period
23 deemed appropriate by the chief executive officer,
24 subject to approval by the board. If a valid claim is
25 not made for the money within the applicable period,
26 the unclaimed prize money shall be added to the pool
27 from which future prizes are to be awarded or used for
28 special prize promotions. Notwithstanding this
29 subsection, the disposition of unclaimed prize money
30 from multijurisdictional games shall be made in
31 accordance with the rules of the multijurisdictional
32 game.

33 e. No prize shall be paid upon a ticket or share
34 purchased or sold in violation of this chapter. Any
35 such prize shall constitute an unclaimed prize for
36 purposes of this section.

37 f. The authority is discharged of all liability
38 upon payment of a prize pursuant to this section.

39 g. No ticket or share issued by the authority
40 shall be purchased by and no prize shall be paid to
41 any member of the board of directors; any officer or
42 employee of the authority; or to any spouse, child,
43 brother, sister, or parent residing as a member of the
44 same household in the principal place of residence of
45 any such person.

46 h. No ticket or share issued by the authority
47 shall be purchased by and no prize shall be paid to
48 any officer, employee, agent, or subcontractor of any
49 vendor or to any spouse, child, brother, sister, or
50 parent residing as a member of the same household in

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1 the principal place of residence of any such person if
2 such officer, employee, agent, or subcontractor has
3 access to confidential information which may
4 compromise the integrity of the lottery.

5 i. The proceeds of any lottery prize shall be
6 subject to state and federal income tax laws. An
7 amount deducted from the prize for payment of a state
8 tax, pursuant to section 422.16, subsection 1, shall
9 be transferred by the authority to the department of
10 revenue and finance on behalf of the prize winner.

11 Sec. 85. NEW SECTION. 99G.32 AUTHORITY LEGAL
12 REPRESENTATION.

13 The authority shall retain the services of legal
14 counsel to advise the authority and the board and to
15 provide representation in legal proceedings. The
16 authority may retain the attorney general or a full-
17 time assistant attorney general in that capacity and
18 provide reimbursement for the cost of advising and
19 representing the board and the authority.

20 Sec. 86. NEW SECTION. 99G.33 LAW ENFORCEMENT
21 INVESTIGATIONS.

22 The department of public safety, division of
23 criminal investigation, shall be the primary state
24 agency responsible for investigating criminal
25 violations under this chapter. The chief executive
26 officer shall contract with the department of public
27 safety for investigative services, including the
28 employment of special agents and support personnel,
29 and procurement of necessary equipment to carry out
30 the responsibilities of the division of criminal
31 investigation under the terms of the agreement and
32 this chapter.

33 Sec. 87. NEW SECTION. 99G.34 OPEN RECORDS –
34 EXCEPTIONS.

35 The records of the authority shall be governed by
36 the provisions of chapter 22, provided that, in
37 addition to records that may be kept confidential
38 pursuant to section 22.7, the following records shall
39 be kept confidential, unless otherwise ordered by a
40 court, by the lawful custodian of the records, or by
41 another person duly authorized to release such
42 information:

43 1. Marketing plans, research data, and proprietary
44 intellectual property owned or held by the authority
45 under contractual agreements.

46 2. Personnel, vendor, and player social security
47 or tax identification numbers.

48 3. Computer system hardware, software, functional
49 and system specifications, and game play data files.

50 4. Security records pertaining to investigations

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1 and intelligence-sharing information between lottery
2 security officers and those of other lotteries and law
3 enforcement agencies, the security portions or
4 segments of lottery requests for proposals, proposals
5 by vendors to conduct lottery operations, and records
6 of the security division of the authority pertaining
7 to game security data, ticket validation tests, and
8 processes.

9 5. Player name and address lists, provided that
10 the names and addresses of prize winners shall not be
11 withheld.

12 6. Operational security measures, systems, or
13 procedures and building plans.

14 7. Security reports and other information
15 concerning bids or other contractual data, the
16 disclosure of which would impair the efforts of the
17 authority to contract for goods or services on
18 favorable terms.

19 8. Information that is otherwise confidential
20 obtained pursuant to investigations.

21 Sec. 88. NEW SECTION. 99G.35 SECURITY.

22 1. The authority's chief security officer and
23 investigators shall be qualified by training and
24 experience in law enforcement to perform their
25 respective duties in support of the activities of the
26 security office. The chief security officer and
27 investigators shall not have sworn peace officer
28 status. The lottery security office shall perform all
29 of the following activities in support of the
30 authority mission:

31 a. Supervise ticket or share validation and
32 lottery drawings, provided that the authority may
33 enter into cooperative agreements with
34 multijurisdictional lottery administrators for shared
35 security services at drawings and game show events
36 involving more than one participating lottery.

37 b. Inspect at times determined solely by the
38 authority the facilities of any vendor or lottery
39 retailer in order to determine the integrity of the
40 vendor's product or the operations of the retailer in
41 order to determine whether the vendor or the retailer
42 is in compliance with its contract.

43 c. Report any suspected violations of this chapter
44 to the appropriate county attorney or the attorney
45 general and to any law enforcement agencies having
46 jurisdiction over the violation.

47 d. Upon request, provide assistance to any county
48 attorney, the attorney general, the department of
49 public safety, or any other law enforcement agency.

50 e. Upon request, provide assistance to retailers

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1 in meeting their licensing contract requirements and
2 in detecting retailer employee theft.

3 f. Monitor authority operations for compliance
4 with internal security requirements.

5 g. Provide physical security at the authority's
6 central operations facilities.

7 h. Conduct on-press product production
8 surveillance, testing, and quality approval for
9 printed scratch and pull-tab tickets.

10 i. Coordinate employee and retailer background
11 investigations conducted by the department of public
12 safety, division of criminal investigation.

13 2. The authority may enter into intelligence-
14 sharing, reciprocal use, or restricted use agreements
15 with the federal government, law enforcement agencies,
16 lottery regulation agencies, and gaming enforcement
17 agencies of other jurisdictions which provide for and
18 regulate the use of information provided and received
19 pursuant to the agreement.

20 3. Records, documents, and information in the
21 possession of the authority received pursuant to an
22 intelligence-sharing, reciprocal use, or restricted
23 use agreement entered into by the authority with a
24 federal department or agency, any law enforcement
25 agency, or the lottery regulation or gaming
26 enforcement agency of any jurisdiction shall be
27 considered investigative records of a law enforcement
28 agency and are not subject to chapter 22 and shall not
29 be released under any condition without the permission
30 of the person or agency providing the record or
31 information.

32 Sec. 89. NEW SECTION. 99G.36 FORGERY – FRAUD –
33 PENALTIES.

34 1. A person who, with intent to defraud, falsely
35 makes, alters, forges, utters, passes, redeems, or
36 counterfeits a lottery ticket or share or attempts to
37 falsely make, alter, forge, utter, pass, redeem, or
38 counterfeit a lottery ticket or share, or commits
39 theft or attempts to commit theft of a lottery ticket
40 or share, is guilty of a class "D" felony.

41 2. Any person who influences or attempts to
42 influence the winning of a prize through the use of
43 coercion, fraud, deception, or tampering with lottery
44 equipment or materials shall be guilty of a class "D"
45 felony.

46 3. No person shall knowingly or intentionally make
47 a material false statement in any application for a
48 license or proposal to conduct lottery activities or
49 make a material false entry in any book or record
50 which is compiled or maintained or submitted to the

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1 board pursuant to the provisions of this chapter. Any
2 person who violates the provisions of this section
3 shall be guilty of a class "D" felony.

4 Sec. 90. NEW SECTION. 99G.37 COMPETITIVE
5 BIDDING.

6 1. The authority shall enter into a major
7 procurement contract pursuant to competitive bidding.
8 The requirement for competitive bidding does not apply
9 in the case of a single vendor having exclusive rights
10 to offer a particular service or product. The board
11 shall adopt procedures for competitive bidding.
12 Procedures adopted by the board shall be designed to
13 allow the selection of proposals that provide the
14 greatest long-term benefit to the state, the greatest
15 integrity for the authority, and the best service and
16 products for the public.

17 2. In any bidding process, the authority may
18 administer its own bidding and procurement or may
19 utilize the services of the department of general
20 services, or its successor, or other state agency.
21 Sec. 91. NEW SECTION. 99G.38 AUTHORITY FINANCE
22 – SELF-SUSTAINING.

23 1. The authority may borrow, or accept and expend,
24 in accordance with the provisions of this chapter,
25 such moneys as may be received from any source,
26 including income from the authority's operations, for
27 effectuating its business purposes, including the
28 payment of the initial expenses of initiation,
29 administration, and operation of the authority and the
30 lottery.

31 2. The authority shall be self-sustaining and
32 self-funded. Moneys in the general fund of the state
33 shall not be used or obligated to pay the expenses of
34 the authority or prizes of the lottery, and no claim
35 for the payment of an expense of the lottery or prizes
36 of the lottery may be made against any moneys other
37 than moneys credited to the authority operating
38 account.

39 3. The state of Iowa offset program, as provided
40 in section 421.17, shall be available to the authority
41 to facilitate receipt of funds owed to the authority.

42 Sec. 92. NEW SECTION. 99G.39 ALLOCATION,
43 APPROPRIATION, TRANSFER, AND REPORTING OF FUNDS.

44 1. Upon receipt of any revenue, the chief
45 executive officer shall deposit the moneys in the
46 lottery fund created pursuant to section 99G.40. At
47 least fifty percent of the projected annual revenue
48 accruing from the sale of tickets or shares shall be
49 allocated for payment of prizes to the holders of
50 winning tickets. After the payment of prizes, the

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1 following shall be deducted from the authority's
2 revenue prior to disbursement:
3 a. An amount equal to three-tenths of one percent
4 of the gross lottery revenue for the year shall be
5 deposited in a gambling treatment fund in the office
6 of the treasurer of state.

7 b. The expenses of conducting the lottery.
8 Expenses for advertising production and media
9 purchases shall not exceed four percent of the
10 authority's gross revenue for the year.

11 2. The director of management shall not include
12 lottery revenues in the director's fiscal year revenue
13 estimates.

14 3. a. Notwithstanding subsection 1, if gaming
15 revenues under sections 99D.17 and 99F.11 are
16 insufficient in a fiscal year to meet the total amount
17 of such revenues directed to be deposited in the
18 vision Iowa fund and the school infrastructure fund
19 during the fiscal year pursuant to section 8.57,
20 subsection 5, paragraph "e", the difference shall be
21 paid from lottery revenues prior to deposit of the
22 lottery revenues in the general fund. If lottery
23 revenues are insufficient during the fiscal year to
24 pay the difference, the remaining difference shall be
25 paid from lottery revenues in subsequent fiscal years
26 as such revenues become available.

27 b. The treasurer of state shall, each quarter,
28 prepare an estimate of the gaming revenues and lottery
29 revenues that will become available during the
30 remainder of the appropriate fiscal year for the
31 purposes described in paragraph "a". The department
32 of management and the department of revenue and
33 finance shall take appropriate actions to provide that
34 the amount of gaming revenues and lottery revenues
35 that will be available during the remainder of the
36 appropriate fiscal year is sufficient to cover any
37 anticipated deficiencies.

38 Sec. 93. NEW SECTION. 99G.40 AUDITS AND REPORTS
39 – LOTTERY FUND.

40 1. To ensure the financial integrity of the
41 lottery, the authority shall do all of the following:
42 a. Submit quarterly and annual reports to the
43 governor, state auditor, and the general assembly
44 disclosing the total lottery revenues, prize
45 disbursements, and other expenses of the authority
46 during the reporting period. The fourth quarter
47 report shall be included in the annual report made
48 pursuant to this section. The annual report shall
49 include a complete statement of lottery revenues,
50 prize disbursements, and other expenses, and

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1 recommendations for changes in the law that the chief
2 executive officer deems necessary or desirable. The
3 annual report shall be submitted within one hundred
4 twenty days after the close of the fiscal year. The
5 chief executive officer shall report immediately to
6 the governor, the treasurer of state, and the general
7 assembly any matters that require immediate changes in
8 the law in order to prevent abuses or evasions of this
9 chapter or rules adopted or to rectify undesirable
10 conditions in connection with the administration or
11 operation of the lottery.

12 b. Maintain weekly or more frequent records of
13 lottery transactions, including the distribution of
14 tickets or shares to retailers, revenues received,
15 claims for prizes, prizes paid, prizes forfeited, and
16 other financial transactions of the authority.

17 c. The authority shall deposit in the lottery fund
18 created in subsection 2 any moneys received by
19 retailers from the sale of tickets or shares less the
20 amount of any compensation due the retailers. The
21 chief executive officer may require licensees to file
22 with the authority reports of receipts and
23 transactions in the sale of tickets or shares. The
24 reports shall be in the form and contain the
25 information the chief executive officer requires.

26 2. A lottery fund is created in the office of the
27 treasurer of state and shall exist as the recipient
28 fund for authority receipts. The fund consists of all
29 revenues received from the sale of lottery tickets or
30 shares and all other moneys lawfully credited or
31 transferred to the fund. The chief executive officer
32 shall certify quarterly that portion of the fund that
33 has been transferred to the general fund of the state
34 under this chapter and shall cause that portion to be
35 transferred to the general fund of the state.
36 However, upon the request of the chief executive
37 officer and subject to the approval by the treasurer
38 of state, an amount sufficient to cover the
39 foreseeable administrative expenses of the lottery for
40 a period of twenty-one days may be retained from the
41 lottery fund. Prior to the quarterly transfer to the
42 general fund of the state, the chief executive officer
43 may direct that lottery revenue shall be deposited in
44 the lottery fund and in interest-bearing accounts
45 designated by the treasurer of state. Interest or
46 earnings paid on the deposits or investments is
47 considered lottery revenue and shall be transferred to
48 the general fund of the state in the same manner as
49 other lottery revenue.

50 3. The chief executive officer shall certify

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1 before the last day of the month following each
2 quarter that portion of the lottery fund resulting
3 from the previous quarter's sales to be transferred to
4 the general fund of the state.

5 4. For informational purposes only, the chief
6 executive officer shall submit to the department of
7 management by October 1 of each year a proposed
8 operating budget for the authority for the succeeding
9 fiscal year. This budget proposal shall also be
10 accompanied by an estimate of the net proceeds to be
11 deposited into the general fund during the succeeding
12 fiscal year. This budget shall be on forms prescribed
13 by the department of management.

14 5. The authority shall adopt the same fiscal year
15 as that used by state government and shall be audited
16 annually.

17 Sec. 94. NEW SECTION. 99G.41 PRIZE OFFSETS –
18 GARNISHMENTS.

19 1. Any claimant agency may submit to the authority
20 a list of the names of all persons indebted to such
21 claimant agency or to persons on whose behalf the
22 claimant agency is acting. The full amount of the
23 debt shall be collectable from any lottery winnings
24 due the debtor without regard to limitations on the
25 amounts that may be collectable in increments through
26 garnishment or other proceedings. Such list shall
27 constitute a valid lien upon and claim of lien against
28 the lottery winnings of any debtor named in such list.
29 The list shall contain the names of the debtors, their
30 social security numbers if available, and any other
31 information that assists the authority in identifying
32 the debtors named in the list.

33 2. The authority is authorized and directed to
34 withhold any winnings paid out directly by the
35 authority subject to the lien created by this section
36 and send notice to the winner. However, if the winner
37 appears and claims winnings in person, the authority
38 shall notify the winner at that time by hand delivery
39 of such action. The authority shall pay the funds
40 over to the agency administering the offset program.

41 3. Notwithstanding the provisions of section
42 99G.34 which prohibit disclosure by the authority of
43 certain portions of the contents of prize winner
44 records or information, and notwithstanding any other
45 confidentiality statute, the authority may provide to
46 a claimant agency all information necessary to
47 accomplish and effectuate the intent of this section.

48 4. The information obtained by a claimant agency
49 from the authority in accordance with this section
50 shall retain its confidentiality and shall only be

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1 used by a claimant agency in the pursuit of its debt
2 collection duties and practices. Any employee or
3 prior employee of any claimant agency who unlawfully
4 discloses any such information for any other purpose,
5 except as otherwise specifically authorized by law,
6 shall be subject to the same penalties specified by
7 law for unauthorized disclosure of confidential
8 information by an agent or employee of the authority.

9 5. Except as otherwise provided in this chapter,
10 attachments, garnishments, or executions authorized
11 and issued pursuant to law shall be withheld if timely
12 served upon the authority.

13 6. The provisions of this section shall only apply
14 to prizes paid directly by the authority and shall not
15 apply to any retailers authorized by the board to pay
16 prizes of up to six hundred dollars after deducting
17 the price of the ticket or share.

18 Sec. 95. NEW SECTION. 99G.42 COMPULSIVE GAMBLERS
19 – PRINTING ON TICKETS – INFORMATION AT RETAIL
20 OUTLETS.

21 The authority shall cooperate with the gambling
22 treatment program administered by the Iowa department
23 of public health to incorporate information regarding
24 the gambling treatment program and its toll-free
25 telephone number in printed materials distributed by
26 the authority.

27 Sec. 96. Section 7E.5, subsection 1, paragraph d,
28 Code 2003, is amended to read as follows:

29 d. The department of revenue and finance, created
30 in section 421.2, which has primary responsibility for
31 revenue collection and revenue law compliance, and
32 financial management and assistance, ~~and the Iowa~~
33 ~~lottery.~~

34 Sec. 97. Section 7E.6, subsection 3, Code 2003, is
35 amended to read as follows:

36 3. Any position of membership on the ~~lottery~~ board
37 of the Iowa lottery authority shall receive
38 compensation of fifty dollars per day and expenses.

39 Sec. 98. Section 8.22A, subsection 5, paragraph a,
40 Code 2003, is amended to read as follows:

41 a. The amount of lottery revenues for the
42 following fiscal year to be available for disbursement
43 following the deductions made pursuant to section
44 ~~99E.10~~ 99G.39, subsection 1.

45 Sec. 99. Section 8.57, subsection 5, paragraph e,
46 unnumbered paragraph 2, Code 2003, is amended to read
47 as follows:

48 If the total amount of moneys directed to be
49 deposited in the general fund of the state under
50 sections 99D.17 and 99F.11 in a fiscal year is less

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1 than the total amount of moneys directed to be
2 deposited in the vision Iowa fund and the school
3 infrastructure fund in the fiscal year pursuant to
4 this paragraph "e", the difference shall be paid from
5 lottery revenues in the manner provided in section
6 ~~99E.10~~ 99G.39, subsection 3.

7 Sec. 100. Section 68B.35, subsection 2, paragraph
8 e, Code 2003, is amended to read as follows:

9 e. Members of the banking board, the ethics and
10 campaign disclosure board, the credit union review
11 board, the economic development board, the employment
12 appeal board, the environmental protection commission,
13 the health facilities council, the Iowa finance
14 authority, the Iowa public employees' retirement
15 system investment board, the ~~lottery~~ board of the Iowa
16 lottery authority, the natural resource commission,
17 the board of parole, the petroleum underground storage
18 tank fund board, the public employment relations
19 board, the state racing and gaming commission, the
20 state board of regents, the tax review board, the
21 transportation commission, the office of consumer
22 advocate, the utilities board, the Iowa
23 telecommunications and technology commission, and any
24 full-time members of other boards and commissions as
25 defined under section 7E.4 who receive an annual
26 salary for their service on the board or commission.

27 Sec. 101. Section 99A.10, Code 2003, is amended to
28 read as follows:

29 99A.10 MANUFACTURE AND DISTRIBUTION OF GAMBLING
30 DEVICES PERMITTED.

31 a person may manufacture or act as a distributor
32 for gambling devices for sale out of the state in
33 another jurisdiction where possession of the device is
34 legal or for sale in the state or use in the state if
35 the use is permitted pursuant to either chapter 99B or
36 chapter ~~99E~~ 99G.

37 Sec. 102. Section 99B.1, subsection 17, Code 2003,
38 is amended to read as follows:

39 17. "Merchandise" includes lottery tickets or
40 shares sold or authorized under chapter ~~99E~~ 99G. The
41 value of the ticket or share is the price of the
42 ticket or share as established by the lottery division
43 of the department of revenue and finance pursuant to
44 chapter ~~99E~~ 99G.

45 Sec. 103. Section 99B.6, subsection 5, Code 2003,
46 is amended to read as follows:

47 5. Lottery tickets or shares authorized pursuant
48 to chapter ~~99E~~ 99G may be sold on the premises of an
49 establishment that serves or sells alcoholic
50 beverages, wine, or beer as defined in section 123.3.

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1 Sec. 104. Section 99B.7, subsection 1, paragraph
2 1, subparagraph (1), Code 2003, is amended to read as
3 follows:

4 (1) No other gambling is engaged in at the same
5 location, except that lottery tickets or shares issued
6 by the lottery division of the department of revenue
7 and finance may be sold pursuant to chapter ~~99E~~ 99G.

8 Sec. 105. Section 99B.15, Code 2003, is amended to
9 read as follows:

10 99B.15 APPLICABILITY OF CHAPTER – PENALTY.

11 It is the intent and purpose of this chapter to
12 authorize gambling in this state only to the extent
13 specifically permitted by a section of this chapter or
14 chapter 99D, ~~99E~~, or 99F, or 99G. Except as otherwise
15 provided in this chapter, the knowing failure of any
16 person to comply with the limitations imposed by this
17 chapter constitutes unlawful gambling, a serious
18 misdemeanor.

19 Sec. 106. Section 99F.2, Code 2003, is amended to
20 read as follows:

21 99F.2 SCOPE OF PROVISIONS.

22 This chapter does not apply to the pari-mutuel
23 system of wagering used or intended to be used in
24 connection with the horse-race or dog-race meetings as
25 authorized under chapter 99D, lottery or lotto games
26 authorized under chapter ~~99E~~ 99G, or bingo or games of
27 skill or chance authorized under chapter 99B.

28 Sec. 107. Section 99F.11, subsection 3, Code 2003,
29 is amended to read as follows:

30 3. Three-tenths of one percent of the adjusted
31 gross receipts shall be deposited in the gambling
32 treatment fund specified in section ~~99E.10~~ 99G.39,
33 subsection 1, paragraph "a".

34 Sec. 108. Section 123.49, subsection 2, paragraph
35 a, Code 2003, is amended to read as follows:

36 a. Knowingly permit any gambling, except in
37 accordance with chapter 99B, 99D, ~~99E~~, or 99G,
38 or knowingly permit solicitation for immoral purposes,
39 or immoral or disorderly conduct on the premises
40 covered by the license or permit.

41 Sec. 109. Section 321.19, subsection 1, unnumbered
42 paragraph 2, Code 2003, is amended to read as follows:

43 The department shall furnish, on application, free
44 of charge, distinguishing plates for vehicles thus
45 exempted, which plates except plates on Iowa state
46 patrol vehicles shall bear the word "official" and the
47 department shall keep a separate record. Registration
48 plates issued for Iowa state patrol vehicles, except
49 unmarked patrol vehicles, shall bear two red stars on
50 a yellow background, one before and one following the

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1 registration number on the plate, which registration
2 number shall be the officer's badge number.
3 Registration plates issued for county sheriff's patrol
4 vehicles shall display one seven-pointed gold star
5 followed by the letter "S" and the call number of the
6 vehicle. However, the director of general services or
7 the director of transportation may order the issuance
8 of regular registration plates for any exempted
9 vehicle used by peace officers in the enforcement of
10 the law, persons enforcing chapter 124 and other laws
11 relating to controlled substances, persons in the
12 department of justice, the alcoholic beverages
13 division of the department of commerce, disease
14 investigators of the Iowa department of public health,
15 the department of inspections and appeals, and the
16 department of revenue and finance, who are regularly
17 assigned to conduct investigations which cannot
18 reasonably be conducted with a vehicle displaying
19 "official" state registration plates, persons in the
20 Iowa lottery ~~division of the department of revenue and~~
21 ~~finance authority~~ whose regularly assigned duties
22 relating to security or the carrying of lottery
23 tickets cannot reasonably be conducted with a vehicle
24 displaying "official" registration plates, and persons
25 in the department of economic development who are
26 regularly assigned duties relating to existing
27 industry expansion or business attraction. For
28 purposes of sale of exempted vehicles, the exempted
29 governmental body, upon the sale of the exempted
30 vehicle, may issue for in-transit purposes a
31 pasteboard card bearing the words "Vehicle in
32 Transit", the name of the official body from which the
33 vehicle was purchased, together with the date of the
34 purchase plainly marked in at least one-inch letters,
35 and other information required by the department. The
36 in-transit card is valid for use only within forty-
37 eight hours after the purchase date as indicated on
38 the bill of sale which shall be carried by the driver.

39 Sec. 110. Section 421.17, subsection 27, Code
40 2003, is amended by striking the subsection.

41 Sec. 111. Section 422.16, subsection 1, unnumbered
42 paragraph 4, Code 2003, is amended to read as follows:

43 For the purposes of this subsection, state income
44 tax shall be withheld on winnings in excess of six
45 hundred dollars derived from gambling activities
46 authorized under chapter 99B or ~~99E, 99G~~. State income
47 tax shall be withheld on winnings in excess of one
48 thousand dollars from gambling activities authorized
49 under chapter 99D. State income tax shall be withheld
50 on winnings in excess of twelve hundred dollars

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1 derived from slot machines authorized under chapter
2 99F.

3 Sec. 112. Section 422.43, subsection 2, Code 2003,
4 is amended to read as follows:

5 2. There is imposed a tax of five percent upon the
6 gross receipts derived from the operation of all forms
7 of amusement devices and games of skill, games of
8 chance, raffles, and bingo games as defined in chapter
9 99B, operated or conducted within the state, the tax
10 to be collected from the operator in the same manner
11 as for the collection of taxes upon the gross receipts
12 of tickets or admission as provided in this section.
13 ~~The tax shall also be imposed upon the gross receipts~~
14 ~~derived from the sale of lottery tickets or shares~~
15 ~~pursuant to chapter 99E. The tax on the lottery~~
16 ~~tickets or shares shall be included in the sales price~~
17 ~~and distributed to the general fund as provided in~~
18 ~~section 99E.10.~~

19 Sec. 113. Section 422B.8, unnumbered paragraph 1,
20 Code 2003, is amended to read as follows:

21 a local sales and services tax at the rate of not
22 more than one percent may be imposed by a county on
23 the gross receipts taxed by the state under chapter
24 422, division IV. A local sales and services tax
25 shall be imposed on the same basis as the state sales
26 and services tax or in the case of the use of natural
27 gas, natural gas service, electricity, or electric
28 service on the same basis as the state use tax and
29 shall not be imposed on the sale of any property or on
30 any service not taxed by the state, except the tax
31 shall not be imposed on the gross receipts from the
32 sale of motor fuel or special fuel as defined in
33 chapter 452a which is consumed for highway use or in
34 watercraft or aircraft if the fuel tax is paid on the
35 transaction and a refund has not or will not be
36 allowed, on the gross receipts from the rental of
37 rooms, apartments, or sleeping quarters which are
38 taxed under chapter 422a during the period the hotel
39 and motel tax is imposed, on the gross receipts from
40 the sale of equipment by the state department of
41 transportation, on the gross receipts from the sale of
42 self-propelled building equipment, pile drivers,
43 motorized scaffolding, or attachments customarily
44 drawn or attached to self-propelled building
45 equipment, pile drivers, and motorized scaffolding,
46 including auxiliary attachments which improve the
47 performance, safety, operation, or efficiency of the
48 equipment and replacement parts and are directly and
49 primarily used by contractors, subcontractors, and
50 builders for new construction, reconstruction,

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1 alterations, expansion, or remodeling of real property
2 or structures, and on the gross receipts from the sale
3 of a lottery ticket or share in a lottery game
4 conducted pursuant to chapter ~~99E~~ 99C and except the
5 tax shall not be imposed on the gross receipts from
6 the sale or use of natural gas, natural gas service,
7 electricity, or electric service in a city or county
8 where the gross receipts from the sale of natural gas
9 or electric energy are subject to a franchise fee or
10 user fee during the period the franchise or user fee
11 is imposed. A local sales and services tax is
12 applicable to transactions within those incorporated
13 and unincorporated areas of the county where it is
14 imposed and shall be collected by all persons required
15 to collect state gross receipts taxes. However, a
16 person required to collect state retail sales tax
17 under chapter 422, division IV, is not required to
18 collect local sales and services tax on transactions
19 delivered within the area where the local sales and
20 services tax is imposed unless the person has physical
21 presence in that taxing area. All cities contiguous
22 to each other shall be treated as part of one
23 incorporated area and the tax would be imposed in each
24 of those contiguous cities only if the majority of
25 those voting in the total area covered by the
26 contiguous cities favor its imposition.
27 Sec. 114. Section 422E.3, subsection 2, Code 2003,
28 is amended to read as follows:
29 2. The tax shall be imposed on the same basis as
30 the state sales and services tax or in the case of the
31 use of natural gas, natural gas service, electricity,
32 or electric service on the same basis as the state use
33 tax and shall not be imposed on the sale of any
34 property or on any service not taxed by the state,
35 except the tax shall not be imposed on the gross
36 receipts from the sale of motor fuel or special fuel
37 as defined in chapter 452a which is consumed for
38 highway use or in watercraft or aircraft if the fuel
39 tax is paid on the transaction and a refund has not or
40 will not be allowed, on the gross receipts from the
41 rental of rooms, apartments, or sleeping quarters
42 which are taxed under chapter 422a during the period
43 the hotel and motel tax is imposed, on the gross
44 receipts from the sale of equipment by the state
45 department of transportation, on the gross receipts
46 from the sale of self-propelled building equipment,
47 pile drivers, motorized scaffolding, or attachments
48 customarily drawn or attached to self-propelled
49 building equipment, pile drivers, and motorized
50 scaffolding, including auxiliary attachments which

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1 improve the performance, safety, operation, or
2 efficiency of the equipment, and replacement parts and
3 are directly and primarily used by contractors,
4 subcontractors, and builders for new construction,
5 reconstruction, alterations, expansion, or remodeling
6 of real property or structures, and on the gross
7 receipts from the sale of a lottery ticket or share in
8 a lottery game conducted pursuant to chapter ~~99E~~ 99G
9 and except the tax shall not be imposed on the gross
10 receipts from the sale or use of natural gas, natural
11 gas service, electricity, or electric service in a
12 city or county where the gross receipts from the sale
13 of natural gas or electric energy are subject to a
14 franchise fee or user fee during the period the
15 franchise or user fee is imposed.

16 Sec. 115. Section 537A.4, unnumbered paragraph 2,
17 Code 2003, is amended to read as follows:

18 This section does not apply to a contract for the
19 operation of or for the sale or rental of equipment
20 for games of skill or games of chance, if both the
21 contract and the games are in compliance with chapter
22 99B. This section does not apply to wagering under
23 the pari-mutuel method of wagering authorized by
24 chapter 99D. This section does not apply to the sale,
25 purchase or redemption of a ticket or share in the
26 state lottery in compliance with chapter ~~99E~~ 99G.
27 This section does not apply to wagering under the
28 excursion boat gambling method of wagering authorized
29 by chapter 99F. This section does not apply to the
30 sale, purchase, or redemption of any ticket or similar
31 gambling device legally purchased in Indian lands
32 within this state.

33 Sec. 116. Section 714B.10, subsection 1, Code
34 2003, is amended to read as follows:

35 1. Advertising by sponsors registered pursuant to
36 chapter 557B, licensed pursuant to chapter 99B, or
37 regulated pursuant to chapter 99D, ~~99E~~, or 99F, or
38 99G.

39 Sec. 117. Section 725.9, subsection 5, Code 2003,
40 is amended to read as follows:

41 5. This chapter does not prohibit the possession
42 of gambling devices by a manufacturer or distributor
43 if the possession is solely for sale out of the state
44 in another jurisdiction where possession of the device
45 is legal or for sale in the state or use in the state
46 if the use is licensed pursuant to either chapter 99B
47 or chapter ~~99E~~ 99G.

48 Sec. 118. Section 725.15, Code 2003, is amended to
49 read as follows:

50 725.15 EXCEPTIONS FOR LEGAL GAMBLING.

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1 Sections 725.5 to 725.10 and 725.12 do not apply to
2 a game, activity, ticket, or device when lawfully
3 possessed, used, conducted, or participated in
4 pursuant to chapter 99B, ~~99E, or 99F~~, or 99G.
5 Sec. 119. Chapter 99E, Code 2003, is repealed.
6 Sec. 120. IOWA LOTTERY AUTHORITY – TRANSITION
7 PROVISIONS.
8 1. For purposes of this section, unless the
9 context otherwise requires:
10 a. "Iowa lottery authority" means the Iowa lottery
11 authority as created in this Act pursuant to chapter
12 99G.
13 b. "Iowa lottery board" means the five-member
14 board established pursuant to 1985 Iowa Acts, chapter
15 33, section 105.
16 c. "Lottery division" means the lottery division
17 of the department of revenue and finance established
18 pursuant to 1985 Iowa Acts, chapter 33, section 103.
19 2. The Iowa lottery authority shall be the legal
20 successor to the lottery division and, as such, shall
21 assume all rights, privileges, obligations, and
22 responsibilities of the lottery division. The
23 promulgated rules of the lottery division shall remain
24 in full force and effect as the rules of the authority
25 until amended or repealed by the authority. In
26 addition, the Iowa lottery authority may continue the
27 security practices and procedures utilized by the
28 lottery division until amended or repealed by the
29 authority.
30 3. The Iowa lottery authority is created effective
31 at 12:01 a.m. on September 1, 2003, upon which date
32 and time the authority shall become the legal
33 successor to the lottery division. Until the
34 aforesaid date and time, no business shall be
35 conducted by the authority on behalf of the lottery,
36 provided, however, that the Iowa lottery commissioner
37 and Iowa lottery board shall implement such measures
38 as are appropriate to ensure a smooth transition from
39 the agency to the Iowa lottery authority as of the
40 effective date of succession.
41 4. Notwithstanding any provision of chapter 99G,
42 as created by this Act, to the contrary, the
43 commissioner of the Iowa lottery established pursuant
44 to 1985 Iowa Acts, chapter 33, section 103, as amended
45 by 1986 Iowa Acts, chapter 1245, section 404, shall
46 serve as the initial chief executive officer of the
47 Iowa lottery authority. In addition, notwithstanding
48 any provision of section 99G.9, as created by this
49 Act, to the contrary, the term of office for the chief
50 executive officer of the Iowa lottery authority as of

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1 September 1, 2003, shall end April 30, 2008.

2 5. Notwithstanding any provision of chapter 99G,
3 as created by this Act, to the contrary, the initial
4 board of directors of the Iowa lottery authority shall
5 consist of the duly appointed and confirmed members of
6 the Iowa lottery board serving at the date of
7 succession. Said board members shall serve as members
8 of the Iowa lottery authority's board of directors
9 throughout the remainder of their respective Iowa
10 lottery board terms, subject to earlier resignation or
11 removal from office for cause as provided by this Act.

12 6. Personnel of the lottery division employed on
13 September 1, 2003, shall transition to the Iowa
14 lottery authority as the initial authority employees.

15 7. Whereas the lottery division was authorized
16 only as a self-funded enterprise and except for an
17 initial appropriation for start-up expenses, funds of
18 the state have not been authorized for use or
19 obligation to pay the expenses or prizes of the
20 lottery division. The Iowa lottery authority shall
21 function as the legal successor to the lottery
22 division and shall assume all of the assets and
23 obligations of the lottery division, and funds of the
24 state shall not be used or obligated to pay the
25 expenses or prizes of the authority or its
26 predecessor, the lottery division.

27 8. In order to effect an immediate and efficient
28 transition of the lottery from the lottery division to
29 the Iowa lottery authority, as soon as practicable,
30 the Iowa lottery authority shall do all of the
31 following:

32 a. Take such steps and enter into such agreements
33 as the board of the Iowa lottery authority may
34 determine are necessary and proper in order to effect
35 the transfer, assignment, and delivery to the
36 authority from the state of all the tangible and
37 intangible assets constituting the lottery, including
38 the exclusive right to operate the lottery and the
39 assignment to and assumption by the authority of all
40 agreements, covenants, and obligations of the lottery
41 division and other agencies of the state, relating to
42 the operation and management of the lottery.

43 b. Receive as transferee from the state of Iowa
44 all of the tangible and intangible assets constituting
45 the lottery including, without limitation, the
46 exclusive authorization to operate a lottery in the
47 state of Iowa and ownership of annuities and bonds
48 purchased prior to the date of transfer and held in
49 the name of the Iowa lottery for payment of lottery
50 prizes, and shall assume and discharge all of the

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1 agreements, covenants, and obligations of the lottery
2 division entered into and constituting part of the
3 operation and management of the lottery. In
4 consideration for such transfer and assumption, the
5 Iowa lottery authority shall transfer to the state all
6 net profits of the authority, at such times and
7 subject to such financial transfer requirements as are
8 provided in this Act.

9 c. Have perpetual succession as an instrumentality
10 of the state and a public authority.

11 9. Notwithstanding any provision of chapter 99G,
12 as created by this Act, to the contrary, the following
13 provisions shall apply to the Iowa lottery authority:

14 a. Moneys appropriated from the lottery fund to
15 the department of revenue and finance, for
16 administration of the lottery for the fiscal year
17 beginning July 1, 2003, and unexpended prior to
18 September 1, 2003, shall be appropriated to the Iowa
19 lottery authority for operation of the lottery.

20 b. Of the moneys collected by the lottery division
21 and Iowa lottery authority for the fiscal year
22 beginning July 1, 2003, fifty-four million eight
23 hundred thousand dollars shall be transferred to the
24 general fund of the state.

25 c. Any authority for establishing the budget of
26 the Iowa lottery authority pursuant to chapter 99G, as
27 created by this Act, shall only apply for the fiscal
28 year beginning July 1, 2004, and each succeeding
29 fiscal year.

30 Sec. 121. EFFECTIVE DATE. This division of this
31 Act, creating the Iowa lottery authority, takes effect
32 September 1, 2003."

33 2. Title page, by striking lines 1 through 4 and
34 inserting the following: "An Act relating to state
35 and local government financial and regulatory matters,
36 making and reducing appropriations, providing a fee,
37 increasing civil penalties, and providing
38 applicability and effective dates."

Amendment [H-1472](#) was adopted, placing the following amendments out of order:

Amendments [H-1399](#) and [H-1401](#) filed by Horbach of Tama on April 22, 2003.

Amendment [H-1402](#) filed by Baudler of Adair, et al., on April 22, 2003.

Amendment [H-1443](#) filed by Heddens of Story, et al., on April 23, 2003.

Amendment [H-1444](#) filed by Wise of Lee, et al., on April 23, 2003.

Amendment [H-1446](#) filed by Alons, et al., on April 23, 2003.

Amendment [H-1448](#) filed by Heaton of Henry on April 23, 2003.

[SENATE FILE 453](#) SUBSTITUTED FOR [HOUSE FILE 691](#)

Dix of Butler asked and received unanimous consent to substitute [Senate File 453](#) for [House File 691](#).

[Senate File 453](#), a bill for an act relating to state and local government financial and regulatory matters, making and reducing appropriations, providing a fee, increasing civil penalties, and providing applicability and effective dates, was taken up for consideration.

Reasoner of Union offered the following amendment [H-1474](#) filed by Reasoner, D. Olson of Boone, Swaim of Davis, Mertz of Kossuth, and Wise of Lee from the floor and moved its adoption:

H-1474

- 1 Amend [Senate File 453](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. By striking page 1, line 3 through page 2,
- 4 line 5.
- 5 2. Page 4, by striking lines 4 through 6 and
- 6 inserting the following:
- 7 "Sec. ____ Sections 403.23, 405A.10, 422.65, and
- 8 427B.19B, Code 2003, are repealed."
- 9 3. Page 4, line 11, by striking the figure
- 10 "70,000,000" and inserting the following:
- 11 "18,898,350".
- 12 4. By striking page 11, line 30 through page 13,
- 13 line 30 and inserting the following:
- 14 "DIVISION ____
- 15 RESERVE FUND
- 16 Sec. ____ CASH RESERVE APPROPRIATION TO GENERAL
- 17 FUND.
- 18 1. Notwithstanding section 8.56, subsection 4,
- 19 paragraph "a", there is appropriated from the cash
- 20 reserve fund to the general fund of the state for the
- 21 fiscal year beginning July 1, 2003, and ending June
- 22 30, 2004, the following amount, or so much thereof as
- 23 is necessary:
- 24 \$ 41,101,650

25 2. The appropriation made in this section is
 26 declared to be made for nonrecurring emergency
 27 expenditures as required in section 8.56, subsections
 28 3 and 4.
 29 Sec. __. There is appropriated from the general
 30 fund of the state for the fiscal year beginning July
 31 1, 2003, and ending June 30, 2004, in lieu of the
 32 standing appropriation in section 405A.8, the
 33 following amount to be used for the purpose
 34 designated:
 35 For the personal property tax replacement program
 36 under section 405A.8:
 37 \$ 51,101,650"

Roberts of Carroll in the chair at 3:42 p.m.

Speaker Rants in the chair at 3:44 p.m.

Roll call was requested by Myers of Johnson and Carroll of Poweshiek.

On the question "Shall amendment [H-1474](#) be adopted?" ([S.F. 453](#))

The ayes were, 46:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevett	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Jochum	Kuhn	Lensing
Lykam	Mascher	McCarthy	Mertz
Miller	Murphy	Myers	Oldson
Olson, D.	Petersen	Quirk	Reasoner
Shoultz	Smith	Stevens	Struyk
Swaim	Taylor, D.	Taylor, T.	Thomas
Van Fossen, J.R.	Wendt	Whitaker	Whitead
Winckler	Wise		

The nays were, 53:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman
Gipp	Granzow	Greiner	Hahn
Hansen	Hanson	Heaton	Hoffman
Horbach	Huseman	Hutter	Jacobs
Jenkins	Jones	Klemme	Kramer
Kurtenbach	Lalk	Lukan	Maddox
Manternach	Olson, S.	Paulsen	Raecker

Rasmussen	Rayhons	Roberts	Sands
Schickel	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Watts	Wilderdyke
Mr. Speaker			
Rants			

Absent or not voting, 1:

Osterhaus

Amendment [H-1474](#) lost.

Huser of Polk offered the following amendment [H-1485](#) filed by her from the floor and moved its adoption:

H-1485

- 1 Amend [Senate File 453](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 2, by inserting after line 5 the
- 4 following:
- 5 "Sec. ____ Section 405A.6, Code 2003, is amended
- 6 to read as follows:
- 7 405A.6 COUNTY HOSPITAL ALLOCATIONS.
- 8 1. For the fiscal year beginning July 1, ~~1988~~
- 9 2003, and each subsequent fiscal year, the amount due
- 10 to each county hospital in the state is equal to the
- 11 general allocation of the county hospital as
- 12 determined in section 405A.2, Code 2003, for the
- 13 fiscal year beginning July 1, 2002.
- 14 ~~2. When a county hospital is discontinued or~~
- 15 ~~organized pursuant to chapter 37, the amounts that~~
- 16 ~~would otherwise be due to the hospital under this~~
- 17 ~~section shall be paid to the county. Notwithstanding~~
- 18 ~~section 8.56, subsections 3 and 4, there is~~
- 19 appropriated from the cash reserve fund for each
- 20 fiscal year, an amount sufficient to pay the amounts
- 21 due under subsection 1."
- 22 2. Page 4, line 5, by striking the figure
- 23 "405A.6,".
- 24 3. By renumbering as necessary.

Amendment [H-1485](#) lost.

Wise of Lee offered the following amendment [H-1481](#) filed by Wise, Bell of Jasper, Cohoon of Des Moines, Bukta of Clinton, Winckler of Scott and Lykam of Scott from the floor and moved its adoption:

H-1481

1 Amend [Senate File 453](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. By striking page 2, line 12 through page 4,
 4 line 3.
 5 2. Page 4, by striking line 6 and inserting the
 6 following: "and 427A.12, Code 2003, are repealed."
 7 3. Page 4, line 11, by striking the figure
 8 "70,000,000" and inserting the following:
 9 "59,090,885".
 10 4. By striking page 11, line 30 through page 13,
 11 line 30 and inserting the following:
 12 "DIVISION ____
 13 RESERVE FUND
 14 Sec. ____ CASH RESERVE APPROPRIATION TO GENERAL
 15 FUND.
 16 1. Notwithstanding section 8.56, subsection 4,
 17 paragraph "a", there is appropriated from the cash
 18 reserve fund to the general fund of the state for the
 19 fiscal year beginning July 1, 2003, and ending June
 20 30, 2004, the following amount, or so much thereof as
 21 is necessary:
 22 \$ 10,909,115
 23 2. The appropriation made in this section is
 24 declared to be made for nonrecurring emergency
 25 expenditures as required in section 8.56, subsections
 26 3 and 4.
 27 Sec. ____ There is appropriated from the general
 28 fund of the state for the fiscal year beginning July
 29 1, 2003, and ending June 30, 2004, in lieu of the
 30 standing appropriation in section 427B.19A, the
 31 following amount, or so much thereof as is necessary,
 32 to be used for the purpose designated:
 33 For industrial machinery, equipment, and computers
 34 property tax replacement claims under section
 35 427B.19A:
 36 \$ 20,990,800"
 37 5. By renumbering, redesignating, and correcting
 38 internal references as necessary.

Horbach of Tama in the chair at 4:33 p.m.

Roll call was requested by Dix of Butler and Manternach of Jones.

On the question "Shall amendment [H-1481](#) be adopted?" ([S.F. 453](#))

The ayes were, 44:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Jochum	Kuhn	Lensing
Lykam	Mascher	McCarthy	Mertz
Miller	Murphy	Myers	Oldson
Olson, D.	Petersen	Quirk	Reasoner
Shoultz	Smith	Stevens	Struyk
Swaim	Taylor, D.	Thomas	Wendt
Whitaker	Whitead	Winckler	Wise

The nays were, 54:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman
Gipp	Granzow	Greiner	Hahn
Hansen	Hanson	Heaton	Hoffman
Huseman	Hutter	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Maddox	Manternach
Olson, S.	Paulsen	Raecker	Rants, Spkr.
Rasmussen	Rayhons	Roberts	Sands
Schickel	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wilderdyke	Horbach, Presiding		

Absent or not voting, 2:

Osterhaus	Taylor, T.
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Amendment [H-1481](#) lost.

Speaker Rants in the chair at 4:40 p.m.

Petersen of Polk offered the following amendment [H-1483](#) filed by her from the floor and moved its adoption:

H-1483

1 Amend [Senate File 453](#), as amended, passed, and
 2 reprinted by the Senate, as follows:
 3 1. Page 11, by inserting before line 30 the
 4 following:
 5 "DIVISION ____

6 IOWA COMMUNICATIONS NETWORK ACCESS

7 Sec. _____. ICN ACCESS. For the period beginning
8 July 1, 2003, and ending June 30, 2005, a political
9 subdivision of the state shall be considered to be a
10 public agency for purposes of the definition in
11 section 8D.2, subsection 5, paragraph "a", and section
12 8D.11, subsection 4, is not applicable.

13 Sec. _____. Section 8D.13, Code 2003, is amended by
14 adding the following new subsection:

15 NEW SUBSECTION. 20. For the period beginning July
16 1, 2003, and ending June 30, 2005, access to the
17 network shall be offered to political subdivisions of
18 the state, to the extent not otherwise provided for in
19 this chapter, on the same basis and at the same rate
20 as applicable to state agencies."

21 2. Page 11, by inserting before line 30 the
22 following:

23 "DIVISION ____
24 ELECTRONIC LICENSING OF BOATS, ALL-TERRAIN
25 VEHICLES, AND WATERCRAFT

26 Sec. _____. Section 321G.27, Code 2003, is amended
27 to read as follows:

28 321G.27 WRITING FEES.

29 The county recorder shall collect a writing fee of
30 one dollar for an all-terrain vehicle or snowmobile
31 registration. However, the county recorder may
32 collect an additional one dollar writing fee until the
33 electronic licensing system for Iowa administered by
34 the department of natural resources is available to
35 the county recorder for all-terrain vehicle and
36 snowmobile registrations.

37 Sec. _____. Section 462A.53, Code 2003, is amended
38 to read as follows:

39 462A.53 AMOUNT OF WRITING FEES.

40 A writing fee of one dollar for each transaction
41 shall be collected by the county recorder. However,
42 the county recorder may collect an additional one
43 dollar writing fee until the electronic licensing
44 system for Iowa administered by the department of
45 natural resources is available to the county recorder
46 for all-terrain vehicle and snowmobile registrations.
47 If two or more functions are transacted for the same
48 vessel at one time, the writing fee is limited to ~~one~~
49 dollar the fee charged for a single transaction."

50 3. Page 11, by inserting before line 30 the

Page 2

1 following:

2 "DIVISION ____
3 SOLID WASTE

4 Sec. _____. Section 455D.9, Code 2003, is amended by

5 adding the following new subsection:
6 **NEW SUBSECTION.** 1A. Yard waste may be accepted by
7 a sanitary landfill for land disposal if the sanitary
8 landfill operates an active methane collection system
9 used for the production of electricity. For purposes
10 of calculating the waste stream and determining the
11 attainment of the waste stream reductions under
12 section 455D.3 for a year in which yard waste has been
13 accepted for land disposal pursuant to this
14 subsection, the planning area shall estimate the
15 amount of tonnage attributable to yard waste and the
16 estimated amount shall be subtracted from the tonnage
17 accepted by the planning area during that year."
18 4. By renumbering as necessary.

Amendment [H-1483](#) lost.

Winckler of Scott offered the following amendment [H-1482](#) filed by her from the floor and moved its adoption:

H-1482

1 Amend [Senate File 453](#), as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 23, by inserting after line 14 the
4 following:
5 "Sec.____. PUBLIC EMPLOYEE HEALTH INSURANCE. Any
6 information obtained or developed by the executive
7 branch regarding the concept of combining state and
8 local public employees for the purpose of purchasing
9 health insurance coverage shall be made available to
10 members of the general assembly and provided to
11 legislative staff agencies on or before December 15,
12 2003."
13 2. By renumbering as necessary.

Roll call was requested by Myers of Johnson and Huser of Polk.

On the question "Shall amendment [H-1482](#) be adopted?" ([S.F. 453](#))

The ayes were, 42:

Bell	Berry	Bukta	Cohon
Connors	Dandekar	Davitt	Foege
Ford	Frevert	Gaskill	Greimann
Heddens	Hogg	Hunter	Jochum
Kuhn	Lensing	Lykam	Mascher
McCarthy	Mertz	Miller	Murphy
Myers	Oldson	Olson, D.	Petersen

Quirk	Reasoner	Shoultz	Smith
Stevens	Struyk	Swaim	Taylor, D.
Thomas	Wendt	Whitaker	Whitead
Winckler	Wise		

The nays were, 54:

Alons	Arnold	Baudler	Boal
Boddicker	Bogges	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman
Gipp	Granzow	Greiner	Hahn
Hansen	Hanson	Heaton	Hoffman
Horbach	Huseman	Hutter	Jacobs
Jenkins	Jones	Klemme	Kramer
Kurtenbach	Lalk	Lukan	Maddox
Manternach	Olson, S.	Paulsen	Raecker
Rasmussen	Rayhons	Roberts	Sands
Schickel	Tjepkes	Tymeson	Upmeyer
Van Engelenhoven	Van Fossen, J.K.	Van Fossen, J.R.	Watts
Wilderdyke	Mr. Speaker		
	Rants		

Absent or not voting, 4:

Fallon	Huser	Osterhaus	Taylor, T.
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Amendment [H-1482](#) lost.

Heddens of Story offered the following amendment [H-1475](#) filed by Heddens, Wise of Lee, Cohoon of Des Moines, Wendt of Woodbury and Whitead of Woodbury from the floor and moved its adoption:

H-1475

- 1 Amend [Senate File 453](#), as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 26, by striking lines 5 through 17.
- 4 2. By renumbering as necessary.

A non-record roll call was requested.

The ayes were 43, nays 51.

Amendment [H-1475](#) lost.

Dix of Butler moved that the bill be read a last time now and placed upon its passage which motion prevailed and the bill was read a last time.

On the question "Shall the bill pass?" ([S.F. 453](#))

The ayes were, 51:

Alons	Arnold	Baudler	Boal
Boddicker	Boggess	Carroll	Chambers
De Boef	Dennis	Dix	Dolecheck
Drake	Eichhorn	Elgin	Freeman
Gipp	Granzow	Greiner	Hahn
Hansen	Hanson	Heaton	Hoffman
Horbach	Huseman	Jacobs	Jenkins
Jones	Klemme	Kramer	Kurtenbach
Lalk	Lukan	Manternach	Olson, S.
Paulsen	Raecker	Rasmussen	Rayhons
Roberts	Sands	Schickel	Tjepkes
Tymeson	Upmeyer	Van Engelenhoven	Van Fossen, J.K.
Watts	Wilderdyke	Mr. Speaker	
		Rants	

The nays were, 47:

Bell	Berry	Bukta	Cohoon
Connors	Dandekar	Davitt	Fallon
Foege	Ford	Frevert	Gaskill
Greimann	Heddens	Hogg	Hunter
Huser	Hutter	Jochum	Kuhn
Lensing	Lykam	Maddox	Mascher
McCarthy	Mertz	Miller	Murphy
Myers	Oldson	Olson, D.	Petersen
Quirk	Reasoner	Shoultz	Smith
Stevens	Struyk	Swaim	Taylor, D.
Thomas	Van Fossen, J.R.	Wendt	Whitaker
Whitead	Winckler	Wise	

Absent or not voting, 2:

Osterhaus Taylor, T.

The bill having received a constitutional majority was declared to have passed the House and the title was agreed to.

IMMEDIATE MESSAGE

Gipp of Winneshiek asked and received unanimous consent that [Senate File 453](#) be immediately messaged to the Senate.

INTRODUCTION OF BILL

[House Joint Resolution 11](#), by committee on environmental protection, a joint resolution nullifying amendments to administrative rules of the environmental protection commission of the department of natural resources relating to ammonia and hydrogen sulfide ambient air regulations and providing an effective date.

Read first time and placed on the **calendar**.

MOTION TO RECONSIDER
([House File 686](#))

I move to reconsider the vote by which [House File 686](#) passed the House on April 25, 2003.

GIPP of Winneshiek

EXPLANATION OF VOTE

I was necessarily absent from the House chamber on April 25, 2003. Had I been present, I would have voted "aye" on House Files 686, 689 and [Senate File 383](#).

DAVITT of Warren

BILLS SIGNED BY THE GOVERNOR

A communication was received from the Governor announcing that on April 24, 2003, he approved and transmitted to the Secretary of State the following bills:

[House File 65](#), an Act relating to motor vehicle operation while intoxicated offenses.

[House File 397](#), an Act relating to community development block grants to the Department of Economic Development and including effective and applicability dates.

[House File 489](#), an Act relating to programs and services under the purview of the Department of Human Services, and providing for retroactive applicability and effective dates.

[House File 509](#), an Act relating to deer and elk chronic wasting disease by establishing a task force and requiring departmental cooperation in the

implementation of chronic wasting disease administrative strategy, and providing an effective date.

PRESENTATION OF VISITORS

Thirty-eight 6th grade students from Boyden-Hull Elementary School, Boyden, Iowa, accompanied by Sarah Kleinwolterink and Mr. Van Wyk. By Alons of Sioux.

SUBCOMMITTEE ASSIGNMENT

[House Joint Resolution 10](#)

Environmental Protection: Greiner, Chair; Greimann and Kurtenbach.

HOUSE STUDY BILL SUBCOMMITTEE ASSIGNMENTS

[House Study Bill 316](#)

Ways and Means: Tymeson, Chair; Boal and Shoultz.

[House Study Bill 317](#)

Ways and Means: Boal, Chair; Hogg and K. Kramer.

COMMITTEE RECOMMENDATIONS

MR. SPEAKER: The Chief Clerk of the House respectfully reports that the following committee recommendations have been received and are on file in the office of the Chief Clerk.

MARGARET A. THOMSON
Chief Clerk of the House

COMMITTEE ON APPROPRIATIONS

[Senate File 451](#), a bill for an act providing for the jurisdiction and funding of roads by transferring funding for and jurisdiction of certain primary and farm-to-market roads, modifying the procedure for classification of area service "C" roads, and establishing a street construction fund distribution advisory committee, and making appropriations.

Fiscal Note is required.

Recommended **Do Pass** April 24, 2003.

COMMITTEE ON ENVIRONMENTAL PROTECTION

Committee Bill (Formerly [House Joint Resolution 10](#)), a joint resolution nullifying amendments to administrative rules of the environmental protection commission of the department of natural resources relating to ammonia and hydrogen sulfide ambient air regulations and providing an effective date.

Fiscal Note is not required.

Recommended **Do Pass** April 24, 2003.

COMMITTEE ON WAYS AND MEANS

[Senate File 441](#), a bill for an act relating to the transfer of certain property-related tax credits and including effective and retroactive applicability date provisions.

Fiscal Note is not required.

Recommended **Do Pass** April 24, 2003.

[Senate File 442](#), a bill for an act updating the Iowa Code references to the Internal Revenue Code, providing for decoupling with the Internal Revenue Code for a certain bonus depreciation provision, and providing retroactive applicability dates and an effective date.

Fiscal Note is not required.

Recommended **Do Pass** April 24, 2003.

AMENDMENTS FILED

H-1470	H.F. 683	Rayhons of Hancock
H-1471	H.F. 624	Freeman of Buena Vista
H-1484	H.F. 669	Drake of Pottawattamie

On motion by Gipp of Winneshiek the House adjourned at 6:40 p.m., until 1:00 p.m., Monday, April 28, 2003.